Daily Report

Latin America

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FBIS-LAT-90-158 *15 August 1990*

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South Pacific Commission Celebrates Anniversary

PY1408184090 Madrid EFE in Spanish 0640 GMT 14 Aug 90

[Text] Santiago, 13 Aug (EFE)—The Permanent South Pacific Commission (CPSS), which celebrated its 38th anniversary in Santiago today, has reiterated its condemnation of nuclear explosions, and noted the need to open CPSS offices in all countries that have a Pacific coastline.

A ceremony at the Diplomatic Academy commemorated the 38th anniversary of the 1952 Declaration of Santiago on Maritime Zones, which was the origin of the CPSS and which proclaimed the thesis of 200 miles of maritime territory.

The commission, which has its seat in Santiago, includes Chile, Peru, Ecuador, and Colombia. Its 200-mile thesis was accepted by the United Nations in 1982 under the name exclusive economic zone.

In his address, Colombian Hugo Llanos, CPSS secretary general, reiterated the organization's rejection of nuclear explosions in the Pacific Basin, and announced that this protest will be strengthened with a coordinated action by all countries that have Pacific coastlines.

In the past few months the organization has submitted protests to France condemning its atomic explosions on the Mururoa Atoll in the South Pacific.

Llanos indicated that the CPSS is working on the progressive expansion of its activities to all of the Pacific Basin countries by creating economic cooperation committees.

Llanos stated that the CPSS is promoting fishery sector cooperation between all Latin American countries that have a Pacific coastline and the island and Asian nations.

He also highlighted measures that have been adopted to protect fishery resources and aquatic flora, and he warned against indiscriminate fishing by foreign vessels, which often violate the 200-mile zone.

Foreign Minister Enrique Silva Cimma and representatives of the diplomatic corps and international organizations participated in the anniversary ceremony.

Cuba

128 Tons of Cocaine Seized in Last Five Years

FL1408211890 Havana Radio Reloj Network in Spanish 1935 GMT 14 Aug 90

[Text] Although Cuba does not produce or consume drugs, it ranked 10th among the countries that seized the most drugs from international drug traffickers last year. During a special preparatory seminar for the Eighth UN Congress on Crime Prevention and Treatment of the Criminal, which will be held in Havana, it was reported that our country has seized 128 tons of cocaine on its way to the United States in the last five years. Colonel (Ruben Tangui), chief of the Interior Ministry's Anti-drug Department, explained that currently some 30 million Americans use hard drugs and between 8 and 10 million are addicted to cocaine. He said Cuba is open for cooperation with any country in the struggle against drug trafficking but only on the basis of respect to national sovereignty.

Albania's ATA Signs Agreement With News Agency

FL1508010090 Havana Television Service in Spanish 0000 GMT 15 Aug 90

[Text] The top executives of Albania's ATA [Albanian Telegraph News Agency] and Cuba's PRENSA LATINA news agencies signed today in this capital the first cooperation agreement for the exchange of written, radio, graphic, and television information. Taqo Zoto and Pedro Margolles, general directors of Albania's ATA and PRENSA LATINA, respectively, signed the document in Havana. Clirim Cepani, Albanian ambassador to Cuba, and officials from the two press agencies attended the ceremony.

Antigua and Barbuda

Attorney General on Illegal Arms Shipment Probe

FL1408213590 Bridgetown CANA in English 2048 GMT 14 Aug 90

[Text] St. Johns, Antigua, [dateline indistinct] CANA—Antigua and Barbuda's attorney general, Keith Forde has described as untrue a report that Cabinet has asked him to express its displeasure over the handling of a probe by British jurist Louis Blom Cooper into a shipment of illegal arms.

"No such decision has been taken by Cabinet and even if they had done so, I would not have carried it out," Forde told CANA [CARIBBEAN NEWS AGENCY] on Tuesday in response to a report in THE WORKERS' VOICE newspaper, of the pro-government Antigua Trades and Labour Union.

The paper also alleged that Blom Cooper told the attorney general that instead of merely investigating the illegal shipment of Israeli arms through here to a Colombian drug lord, he would be probing the workings of the government and its agents.

"Somebody is trying to play the fool," Forde remarked while declining to comment further on the issue.

The commission of inquiry will sit on Wednesday to collect written evidence and documents before resuming oral hearings on August 27.

The Israeli Government has said that the arms were ordered on behalf of the Antigua and Barbuda Government by Vere Bird Jr, who has resigned as works minister pending the outcome of the probe.

He has denied any involvement in the affair.

Dominica

Maynard Joseph To Assume Agriculture Portfolio

FL1408181890 Bridgetown CANA in English 1624 GMT 14 Aug 90

[Text] Roseau, Dominica, Aug 14, CANA—Junior minister in the Dominica Ministry of Agriculture, Maynard Joseph, will assume total responsibility for the portfolio on August 20 when he is promoted to a full-fledged minister. Joseph, the parliamentary representative for Vieille Case, confirmed this to CANA [CARIBBEAN NEWS AGENCY] after agriculture, trade, industry, and tourism minister, Charles Maynard, said on Monday that he was giving up responsibility for agriculture. At 33, Joseph will be youngest minister in the Cabinet of Prime Minister Eugenia Charles.

Maynard said Joseph had been offered the post following the government's re-election in general elections earlier this year, in line with Charles' announcement that she would reduce Maynard's ministerial load. Joseph however said he had opted to serve as junior minister in the ministry in order to first obtain some hands-on experience before accepting the job.

Island Aims at Complete Electrification in 3 Years

FL1408182790 Bridgetown CANA in English 1746 GMT 14 Aug 90

[Text] Roseau, Dominica, Aug 14, CANA—Dominica's Communications, Works, and Housing Minister Alleyne Carbon said here on Tuesday that government was aiming for complete electrification of the island within the next three years. Speaking at the annual general meeting of Dominica Electricity Services (Domlec), Carbon reported that major strides had been made in this respect over the last three years under a U.S.-supported project that had brought electricity to fifty rural communities. The central part of the island was now the last area to be electrified, he said.

"The communities of Coroner, Des'Por, and the other areas within the central part of this country will be

electrified within the next three years. That means.... that the whole island will have been fully electrified....," Carbon said.

According to Domlec officials, about 85 to 90 percent of the island is already hooked up to the national grid. The company plans to add nine rural communities over the next three years. Statistics released by Domlec showed a near 50 percent jump in local demand for electricity over the last five years, representing an average yearly increase of nearly ten percent. During the same period, the total number of consumers rose from just over 12,000 to 17,703.

Officials anticipate that a multi-million dollar hydro expansion project, expected to be fully operational by next year, will cater for the growing demand at least until 1995. However, Domlec Chairman Frank Baron said measures for beyond that period needed to be put in place. He pointed to the possibility of further hydro expansion or exploration for geothermal energy. In respect of the latter, he said preliminary investigations showed this source of energy could be economically viable in the future and could provide an alternative option to hydro and diesel generation.

He said Domlec had already approached several agencies for funding to cover the cost of drilling two geothermal wells, estimated to cost some six million U.S. dollars. Baron said the response so far had been encouraging.

Dominican Republic

Strike Turns Violent: One Dead, Several Wounded

FL1408124590 Bonaire Trans World Radio in English 1130 GMT 14 Aug 90

[Text] A 48-hour strike turned violent yesterday in the Dominican Republic. Police arrested hundreds of demonstrators in the first day of the work stoppage which was called by unions to protest government economic measures. President Joaquin Balaguer made an emotional speech broadcast several times Sunday and yesterday saying his government will not tolerate riots or any violent protest. Witnesses say one person was fatally shot by soldiers in a riot about 20 miles west of the capital Santo Domingo, three other protestors were injured.

More on Strike Violence

FL1408175090 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 14 Aug 90

[Text] Five were killed and several injured as a result of the first day of a national strike to protest the government's economic policy. The police have confirmed this. Those killed who have been identified so far are Juan Evangelista Canila Diaz, Misquias Cabrera de la Cruz, and Andres Suarez.

Canila Diaz, an 18-year-old student, was shot near his house on First Street in Madre Vieja District in San Cristobal, while Cabrera de la Cruz, age 16, was shot to death near a softball field in Sabana Grande de Boya Municipality. Suarez was killed in La Vega after being shot several times.

Among the wounded who have been identified are Enriquillo Teolio Encarnacion, who lived on 42nd Street in Capotillo District in Santo Domingo; and Miguel Soriano, age 19, of 16th Street in 27 Febrero District. Others who were injured have not yet been identified.

Union Threatens Extension of Strike

FL1408175990 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 14 Aug 90

[Text] The National Strike Committee has threatened to extend their day of protest if what they call the repressive escalation by the Armed Forces and the police against the strike movement continues. Union leader Mariano Negron, the organization's spokesman, has asserted that the national protest day which began yesterday was carried out successfully, and stated that it was totally peaceful.

Negron condemned the arrests of dozens of leaders and activists of the union and mass movement, including those of Luis Emilio Mojica, Ladio Suero, Yolanda Corporan, Martin Ibart, and PLD [Dominican Liberation Party] Deputy (George Hooks). In this regard, the union leader warned that if this situation continues, the protest could become radicalized and extended in duration.

Trinidad and Tobago

Prime Minister Interviewed, Denies 'Witch Hunt'

FL1408202590 Bridgetown CANA in English 1828 GMT 14 Aug 90

[Report by Rickey Singh]

[Text] Bridgetown, Barbados, Aug 14, CANA—Prime Minister A.N.R. Robinson has given a firm assurance that there will be no "witch-hunting, no harassment" of people in Trinidad and Tobago on the basis of "their appearance or religion." Recuperating from a gunshot wound to his leg and the ordeal suffered as a hostage during the Jamaat-al-Muslimeen attempted coup last month, Robinson spoke on the telephone with the CARIBBEAN NEWS AGENCY (CANA) from his official residence in Port of Spain. Responding to questions about alleged harassment by the security forces of members of the Muslim community of the multi-ethnic, multi-religious twin-island state, the Trinidad and Tobago leader said he was unaware of any such campaign.

"It is certainly not a policy of my government," he declared, adding that against the background of the

tragic events that started on July 27 with the Jamaat-al-Muslimeen insurrection, there could be some isolated cases of harassment. Robinson said he would raise the issue on Tuesday in discussions with Acting Prime Minister Winston Dookeran.

"I can tell you that I would urge no spirit of vindictiveness. Law and order must be maintained. We believe in the rule of law," he said.

"No one in our country must be judged by their appearance (an obvious reference to the manner of dress by sections of the Muslim community) or religion, but by the values to which they adhere."

Even as Robinson spoke with CANA, known members or sympathisers of the Jamaat-al-Muslimeen employed in the public and private sectors, were being advised to stay away from their jobs for a while because of a mixture of hostility and fear on the part of fellow workers. Some Muslims have also reported harassment even at mosques when they turned up for worship and have complained of being subjected to abuse and searches by the security forces despite their open disassociation with the Jamaat-al-Muslimeen. Prime Minister Robinson praised the security forces for the "heroic roles" played in upholding the .... [break in transmission]

Provisions of State of Emergency Powers Outlined

FL1408214290 Bridgetown CANA in English 2106 GMT 14 Aug 90

[Text] Port of Spain, Trinidad, Aug 14, CANA—Trinidadians and Tobagons arrested on suspicion of acting in a manner prejudicial to public safety will not be allowed bail under the state of emergency which was extended to another ninety days last Friday.

This is one of the provisions of the emergency powers regulations under the state of emergency which was proclaimed by Acting President Emmanuel Carter on July 28, one day after members of the Jamaat-al-Muslimeen held Prime Minister A.N.R. Robinson, among several parliamentarians as well as television workers hostage.

Soldiers have been given powers of arrest under the emergency powers regulations and a police officer may arrest with or without a warrant any person suspected of comitting or about to commit an act likely to breach public order. Police and soldiers have also been given the power to search, with or without warrants, vessels or individuals in public places or elsewhere.

The regulations also give authorities power to: censor and control publications, writings, maps, plans, photographs, communications and means of communications, prohibit or restrict the possession or use by any person or body of any specified articles, and control harbours, ports, territorial waters of Trinidad and Tobago and the movement of vessels.

Formal Charges Pressed Against Bakr, Followers

FL1408205090 Bridgetown CANA in English 2014 GMT 14 Aug 90

[Text] Port of Spain, Trinidad, Aug 14, CANA—Trinidad and Tobago police have formally laid criminal charges against Jamaat al Muslimeen leader Yasin Abu Bakr and 13 followers stemming from their involvement in last month's coup attempt, Police Commissioner Jules Bernard said on Tuesday. Twenty two charges, including murder, treason, and arson, were filed on Monday against the imam, who spearheaded the bid to overthrow the elected government of Prime Minister Ray Robinscn on July 27.

Bilal Abdullah and Kwesi Atiba, two of Abu Bakr's chief lieutenants who served as spokesmen for the rebels during the uprising, were among the 13 Muslimeen charged on Tuesday. Their charges included treason and murder.

Police also filed murder and treason charges against Andy Thomas, another prominent Muslimeen who was freed under a 1987 presidential pardon from death row for killing a policeman during the seventies.

Bernard said charges were still pending against the other members of the 114-strong group of Muslimeen rebels who launched a coup attempt by blowing up police headquarters, and storming Parliament and the state television station where they held several hostages including Prime Minister Robinson, several parliamentarians and journalists. Bernard was unable to say when the accused would appear in court.

Czechoslovakia's Havel Arrives on Official Visit

LD1408210190 Prague CTK in English 1833 GMT 14 Aug 90

[Excerpts] Managua Aug 14 (CTK Correspondent)—President Vaclav Havel of Czechoslovakia today ended his official visit to Nicaragua and left for Mexico.

In conclusion of his one-day visit a joint declaration on ministerial level was signed, in which the Nicaraguan Government acknowledged the validity of Nicaragua's debt to Czechoslovakia and commitments arising from it. [passage omitted]

The Czehcoslovak preisdent arrived for the official two-day visit of Mexico at the invitation of the country's President Carlos Salinas de Gortari. It is the first visit of a Czechoslovak president to Mexico.

Vaclav Havel will have talks with supreme Mexican Government officials, representatives of trade and business circles and Czech and Slovak expatriates to help expand and strengthen all-round relations between Czechoslovakia and Mexico.

Meets With Salinas

LD1508083490 Prague Domestic Service in Czech 0800 GMT 15 Aug 90

[Text] President Vaclav Havel today continues his two-day visit to Mexico. Yesterday he began his official program by laying flowers at the commemorative plaque to Tomas Garrigue Masaryk in the center of the Mexican capital. The Czechoslovak guest was then received by the Mexican president, Carlos Salinas de Gortari. After the official introduction of both delegations, the presidents held one-on-one talks. Talks between the delegations took place at the same time.

Slavomir Stracar, Czechoslovak minister of foreign trade, and Andres Caso Lombardo, Mexican minister of communications and transport, then signed an agreement which sets the conditions for a civilian air link between the two countries.

The Mexican president gave an official dinner in honor of Vaclav Havel.

Government, DPRK Look To Increase Trade

PA1408154590 Mexico City NOTIMEX in Spanish 0646 GMT 11 Aug 90

[Text] Mexico City, 10 Aug (NOTIMEX)—Foreign Relations Under Secretary Andres Rozental received an official visit from DPRK Vice Foreign Minister Son Ho Gyong today at the Foreign Secretariat.

At the meeting, the Mexican official told the visiting diplomat that Mexico values the initiatives of his country to solve the inter-Korean differences. Rozental added that Mexico supports the efforts of both Koreas to promote a bilateral dialogue in benefit of peace.

In this respect, the North Korean foreign vice minister pointed out that efforts have been recently made to bring about a rapprochement with their neighbors.

To conclude, a consensus was reached at the meeting for the need to establish the necessary mechanism to increase trade relations between Mexico and Korea.

Guatemala

Foreign Minister on Effects of Gulf Crisis

PA1408173490 Guatemala City EL GRAFICO in Spanish 13 Aug 90 p 11

[Report by Carlos Garcia Urrea]

[Text] Foreign Minister Ariel Rivera Irias has analyzed the political, economic, and commercial effects of the Persian Gulf crisis on Guatemala.

First of all, the foreign minister said, regarding the political aspects, we are thinking of transferring the Guatemalan officials who are near the site of the conflict to European countries or to Guatemala. He explained that the country is not adopting an alarmist position but that precautions must be taken in the face of eventualities. He mentioned the possible transfer of those who are in Egypt and Israel.

As for the economy, he said that the Persian Gulf situation has had a direct impact on the prices of hydrocarbons. The price of petroleum initially increased but later went down. It went up to $28 and $29 a barrel but subsequently droppped after Mexico and some countries of the Near East decided to increase their production.

Those countries will be doing this, he added, so there will be no imbalance between supply and demand because they believe that the consumer countries will in some way obtain their supplies. He said that the result has been a drop in prices.

Nevertheless, the foreign minister added, the tension in the Persian Gulf will undoubtedly have negative repercussions in Guatemala. The situation might lead to a confrontation. We hope this will not occur, but the possibility exists.

If such a confrontation breaks out, he said, the price of crude oil and refined products would increase to such a level that this would affect the countries that are small producers and, more directly, the nonproducer countries.

Candidate Says Opponents Might Try To Kill Him

PA1408190390 Guatemala City PRENSA LIBRE in Spanish 11 Aug 90 p 6

[Text] Jorge Carpio Nicolle, UCN [Union of the National Center] presidential candidate, said yesterday that opposition members might try to kill him in the next few days because this is the only way they could prevent him from winning the upcoming elections.

The UCN leader, who yesterday presented his platform, called the "Carpio Plan," reiterated that, if he wins the elections, he will eliminate the ministries of urban and rural development, culture and sports, and specific affairs because they have become corruption centers and proselytizing offices for the Christian Democrats [DC].

Carpio said that his presidential campaign has constantly been attacked by the opposition groups, who have tried to discredit him. "They know I will win the elections because the Guatemalan people are with me."

He said: They first came up with a plan and then continued their constant and ill-intentioned slanderous attacks over radio stations. Without accusing any particular group, Carpio said he does not disregard the possibility that "they are trying to kill me. I expect such an attempt, but I am also prepared to thwart their attempt because I have been chosen to govern Guatemala for the next five years."

Indirectly referring to the CD's, he said: Some sectors are trying to make an alliance with the left. They are like people asking for a lift with their left thumbs; that is, they are seeking obsolete systems that have failed in the world. They are going in the direction of the past and are moving backwards. UCN, however, marches ahead to form a modern state.

Carpio spoke of administrative decentralization so that the governors of the departments can operate more freely in their areas and manage the taxes paid by their communities. He referred to the market economy but added that the social and participating aspect would also have to be included in this economy.

He said that the Carpio Plan includes greater attention to state hospitals, highways, the educational sector, the production sector, etc. He said that the UCN's security plan is of vital importance because "I will personally be in charge of security." Guatemala must offer the people tranquility and protection so that entrepreneurs can invest more, create more jobs, and help distribute the wealth in a better manner.

He also referred to drug trafficking, saying that he will do everything possible to eliminate this evil that endangers the youths of the world. He mentioned the problem with the environment, saying that it deserves special attention.

Carpio said that the economic crisis is difficult because the quetzal is devalued daily as a result of the government's poor policy. We will start a series of activities so that—through production, exports, and private initiatives—the country's economic conditions can be improved, he said.

Regarding his running mate, Carpio said that talks have been held with engineer Ayau to try to reach a clear and specific understanding but that no final accord has been reached yet. He said that he will present his vice presidential candidate next week.

Honduras

Foreign Ministry Rejects Invasion of Kuwait

PA1508024790 Tegucigalpa LA TRIBUNA in Spanish 14 Aug 90 p 10

[Text] The Honduran Foreign Ministry rejects Iraq's annexation of Kuwait as an irregular action carried out by Iraqi President Saddam Husayn, Foreign Minister Mario Carias Zapata has announced. The government statement indicates that such an annexation is unacceptable because it violates agreements by the United Nations, an organization to which both nations belong. Thus, it recommends that a solution be sought as soon as possible to avoid a greater conflagration.

Based on the foreign minister's remarks, the government is concerned about the economic repercussions of this conflict, particularly, for the countries of Central America that depend on the international oil market. The government also voices its concern over the threat of an Iraqi invasion of Saudi Arabia, which would cause a shortage of crude oil on the international market, forcing nontraditional oil producing countries to supply the European market and, thus, cause a shortage on the American continent.

* First Quarter Exports Up 15 Million Lempiras

90CA0081B San Pedro Sula LA PRENSA in Spanish 30 May 90 p 2

[Excerpt] Tegucigalpa—Vice Minister of the Economy for Foreign Trade Affairs, Ramiro Figueroa, announced yesterday that the value of exports was up 15 million lempiras for the first quarter of this year over the comparable period last year, with an increase from 321 million to 336 million lempiras.

Some of the sectors which showed great improvement were exports of ornamental plants and minerals, this official explained.

He added that an analysis is being made of all of the processes pertaining to exports and investments with a view to reorienting the shipment of products manufactured in Honduras to other countries.

From what has been said, it can be concluded that the work done by the preceding administration was ineffective, since Figueroa reiterated the need to make Centrex, the single agency for achieving these goals, more dynamic.

He also pointed out the importance of interministerial cooperation as an essential factor in consolidating the processes of export and investment, on which the technicians at the Agency for International Development have been working for the last four years without, apparently, achieving positive results.

According to the vice minister, his ministry wants to become a department responsible for policies which will reduce the bureaucratic processes of the government and involve private enterprise more directly without invading the sectors which are its exclusive province.

In this official's judgment, the figures developed by this secretariat of state show that despite the structural adjustment measures adopted for the economy, the export rate has improved, although not by a very significant amount. It is hoped that in the remaining months of this year, this trend will be maintained.

Figueroa said that the Ministry of Economy is establishing four work groups to analyze various economic activities. [passage omitted]

* 36 Soldiers Desert From Army Unit

90CA0081E San Pedro Sula LA PRENSA in Spanish 20 Jun 90 p 11

[Text] Tegucigalpa—The Armored Cavalry Regiment (RECABLIN) stationed in Las Tapias, Comayaguela, has lost 36 men in only two days in the two weeks of this month which just passed. Military sources describe this as the most extensive desertion seen in any military unit in recent years.

"Something abnormal and serious must be happening with the men in the RECABLIN in order for soldiers to desert en masse, and this must be investigated," an official at the Military Court of the First Instance, which is looking into the case, said.

The worst day for the RECABLIN was 11 June, when 34 uniformed soldiers deserted. On the 13th of the month, two more desertions were reported. None of the soldiers has been captured to date by the Intelligence Section of the Armed Forces.

The phenomenon began with combat leaders Mario Ramon Gomez Castellanos and Ramon Fernando Pineda Lainez. They were followed by cavalryman Jose Donaldo Jimenez Martinez and Sergeant Israel Guerra Ramirez.

The same day, the desertion of cavalrymen Tulio Armando Mairena Martinez, Robin Adonias Aguilar Cruz, Santos Armando Garcia Velasquez, Jose Sixto Funes Ordonez, Daniel Galo Rodriguez, Angel Benito Vasquez, Victor Manuel Lainez Lara, and Technical Sergeant Felipe Adriano Alvarado Fonseca was reported.

Also reported was the flight of combat leader Santos Donaldo Chacon Moncada and cavalrymen Julio Marcelo Rochez Matute, Jose Ever Rios Velasquez, Luis Armando Carbajal Perdomo, Hector Ivan Medina Avila, and Luis Manuel Cerrato Coello.

At the same time, the desertion of combat leader Celso Ortiz Medina and Privates Eduardo Joaquin Carcamo Castro and Raul Antonio Sauceda Martinez was reported. This last individual was captured the same day, but escaped again shortly thereafter, thus being reported as a deserter two consecutive times.

It has also been reported that Privates Alan Domany Flores Fiallos, Santiago Omar Amador Almendarez, Jose Francisco Raudales Garcia, German Orfilio Ortiz Hernandez, Jose Rigoberto Cuevas Rodriguez, Javier Antonio Tejeda Hernandez, Hector Dagoberto Reyes Cardoza, Dagoberto Cabieles, Alexis Salvador Lorenzana Valladares, Santos Castillo Bonilla, Carlos Alberto Espinal Flores, and Jose Hernan Alvarado Ortega have abandoned the RECABLIN.

On one intervening day, the 13th, the desertion of cavalry Corporal Marco Antonio Montoya Jovel and Private Santos Armando Garcia Velasquez was reported, bringing the total number of uniformed soldiers who have fled from the RECABLIN to 36.

* 4.25 Million Bags of Sugar Produced

90CA0081D Tegucigalpa EL HERALDO in Spanish 28 Jun 90 p 40

[Text] With the production of 4,256,800 sacks of sugar as of the end of the harvest, a normal supply is guaranteed for this year. These results were announced yesterday by Minister of Economy, Ramon Medina Luna.

The leaders of the sugar producers' association informed the economic minister that problems continue to be encountered because large quantities of this sweetener are going to neighboring countries, and because of speculation by retailers.

According to the report, domestic sugar production in November and December of last year came to 106,786 sacks, while 4,256,800 sacks were obtained from January to the 21st of this month, the date this harvest ended.

From January to June, the Cahsa produced 1,415,926 sacks, Achsa 309,725, Achmsa 460,243, Acensa 577,710, Azunosa 6,736, Aysa 607,141, and Acansa 212,551 sacks. Of this total, 4,269,326 sacks were allocated for sale, less the 562,185 sacks for the North American market quota (at $21 per sack) and 81,826 for the rest of the world.

Meanwhile, real sales on the domestic market of 256,209 sacks in January, 254,006 in February, 279,975 in March, 277,568 in April, and 287,463 in May, were reported. The monthly average was therefore 271,044 sacks.

Although operating costs have increased substantially, sugar prices will not increase, the president of Choluteca Sugar, Sergio Salinas, stated.

The official price to the final consumer per pound of sugar continues to be 0.55 cents, and any speculator found to be increasing the cost will be harshly punished. This will be based on the amendments to the Consumer Protection Law to be approved next week, among other things.

Domestic market supply has been normal, but there has been hoarding, since between January and May there was a difference of 30,000 sacks in the mill supply, while the population has seen no substantial increase. This may be due to the price differential existing in the country in comparison to the prevailing prices in El Salvador and Nicaragua.

Sergio Salinas said that without an increase in the price of sugar, there is no reason for many merchants to be hoarding the product. There will not be any shortage, since production exceeded the total for the 1988-89 harvest by 400,000 sacks.

After the country has been supplied, there will be a surplus of approximately 300,000 sacks, so that there will be no shortage. Sugar will continue to be sold on the basis of quotas in order to prevent it from going to neighboring countries, Salinas reiterated. At the same time, he admitted that it is difficult to control the efforts of individuals who load beasts of burden with a number of sacks for transport through the innumerable secret crossing points on the Nicaraguan and Salvadoran frontiers.

Also, the economic minister has been asked to urge the U.S. government not to change the national sugar quota, since with the suspension of the economic measures against them adopted by the United States, Nicaragua and Panama will resume exports to the U.S. market.

Within a few days, a document will be submitted to the minister of economy setting forth the main justifications for keeping the quota allocated to Honduras unchanged, along with the percentages assigned to Nicaragua and Panama. The country has benefited from past adherence to these quotas, earning foreign exchange amounting to millions.

* Tax Revenues Up Approximately 60 Percent

90CA0081A Tegucigalpa EL HERALDO in Spanish 30 Jun 90 p 30

[Text] Fiscal income for the first half of this year was up approximately 60 percent over the amount collected during the comparable period in 1989, according to the tax director, William Chong Wong.

This official said that as of yesterday, tax on income had been collected in the amount of 191 million lempiras, and an increase of 20 to 30 million is expected by next Monday, when the first installment payment falls due. That day was made the due date because the last day of this month falls on Saturday.

During this same period last year, the government body obtained fiscal resources from income tax in the amount of 160 million lempiras.

A similar development was seen for the sales tax, with 148 million lempiras collected as of the 26th of this month, as compared to 93 million last year, Chong Wong said.

He believes that this development will continue during the balance of this year, and it is having a major effect on production. As of 25 June, 28.2 million lempiras had

been collected as tax on beer, 10.5 million on aquavit and mixed drinks, 12.5 million on soft drinks and carbonated beverages, and 25.2 million on cigarette sales.

Another tax which showed an increase was that on airline ticket sales, accounting for 4.2 million lempiras. The method of collecting this tax underwent a change, because previously it was paid by the travel agencies, while the responsibility for paying it now falls to the airlines.

* CODEH Denounces 154 Rights Violations

90CA0081F San Pedro Sula TIEMPO in Spanish 30 Jun 90 p 19

[Text] Some 154 violations of human rights were committed during the first 60 days of the Rafael Leonardo Callejas government administration, according to a report issued by the Committee for the Defense of Human Rights in Honduras (CODEH).

According to this document, the violations involved extrajudicial executions of common criminals, assassinations of leaders of popular bodies, and murders resulting from abuses of authority.

The CODEH also charges that there have been death threats, illegal arrests, torture, and searches of homes, among other abuses of authority in violation of the constitutional guarantees protecting the people of Honduras.

The CODEH charges that the directors of the penal institutions, the National Investigations Directorate (DNI), the Public Security Force (FSP), and other military bodies are directly responsible for these violations of human rights.

In January and February of this year alone, the CODEH report says, there were 78 illegal arrests and 37 cases of torture for which the DNI and the FSP were responsible.

Nicaragua

CSFR's Havel Talks With Chamorro Reported

LD1408205390 Prague CTK in English 0847 GMT 14 Aug 90

[Text] Managua Aug 14 (CTK Correspondent)—The talks between Czechoslovak President Vaclav Havel and Nicaraguan President Violeta Chamorro here today focused on the situation in Nicaragua and the two countries' relations.

At the same time members of the Czehcoslovak and Nicaraguan delegations met for talks at different levels.

Violeta Chamorro acquainted the Czechoslovak president with the complicated development in Nicaragua after the February elections in which the former opposition coalition, the National Opposition Union (UNO), won. She pointed especially to the catastrophic economic situation of the country whose foreign debts have reached already 10,000 million dollars, and stressed the necessity to build democratic structures in the country.

Later in the day, Vaclav Havel met with vice-president of the Nicaraguan National Assembly and prominent official of the Sandinista National Liberation Front (FSLN), former vice-president Sergio Ramirez. Vaclav Havel appreciated the fact that the front made it possible to call free and secret elections in the country and accepted their results by transferring to the constructive opposition.

As regards bilateral relations, Vaclav Havel and Violeta Chamorro paid attention to the possibilities of tackling the question of Nicaragua's debt towards Czechoslovakia which amounts to 150 million dollars. The debt could be paid by goods, for instance by sugar, espcially in the situation when Cuban deliveries are stagnating, Presidential Adviser Sasa Vondra told journalists.

He added that this affair was mainly the topic of the talks between Czechoslovak Foreign Trade Minister Slavomir Stracar and Nicaraguan Minister of Economy and Development Silvio de Franco Motalvan.

President Havel invited Violeta Chamorro to visit Czechoslovakia. The invitation was accepted. Mrs Chamorro expressed the hope that the visit could take place within two years.

As regards international questions, attention was paid to the two countries' relations with Cuba, which have cooled down recently, and to the possiblities of cooperation in Central America.

Also taking place were talks between representatives of the two countries' foreign ministers at the end of which an agreement on their cooperation was signed.

Part of Monday's program of the Czechoslovak delegation in Managua was handing over of the Czechoslovak Red Cross's material assistance to Nicaragua's health service and Red Cross, containing tents, blankets and health material, offered by the Czechoslovak side to victims of natural disasters in Nicaragua on the basis of assistance of the League of Red Cross and Red Crescent societies.

'Joint Declaration' Signed With Czechoslovakia

PA1408201490 Managua Domestic Service in Spanish 1827 GMT 14 Aug 90

["Joint Declaration" signed with the Czechoslovak Government at the Blue Room of the Augusto Cesar Sandino International Airport in Managua on 13 August—read by Danilo Lacayo, presidency press and information director]

[Text] Joint Declaration

On occasion of the visit to Nicaragua of Czech and Slovak Federal Republic President Vaclav Havel and for

the sake of the development of economic and trade cooperation between our two countries, Nicaraguan Economy and Development Minister Silvio de Franco and Slamovir Stracer, Czech and Slovak foreign trade minister, held talks in Managua on 13 August 1990.

The two ministers assessed economic, financial, and trade cooperation between the two countries. This cooperation has contributed to the exchange of technology and market diversification among other things. The two ministers agreed on the basis for the continuation of that cooperation under the principle of mutual benefit.

During the meeting, Minister De Franco and Minister Stracer talked about Nicaragua's debt with Czechoslovakia, which was contracted as a result of the government and interbanking credit agreements granted by the Czech and Slovak Federal Republic. Nicaragua's debt with Czechoslovakia totals approximately $150 million. Nicaraguan Minister De Franco said that his government is aware of the obligations that the said agreements entail.

The two ministers agreed that a commission of Czechoslovak and Nicaraguan experts will meet during the third quarter of 1990 to discuss the possibility of reaching a debt settlement acceptable to the two countries. The commission will also discuss new trade possibilities within the framework of the market economy promoted by the two countries.

Issued in Managua on 13 August 1990 in two original copies in Spanish, both texts being equally valid. [sentence as heard]

[Signed] Slamovir Stracer, Czech and Slovak foreign trade minister

Silvio de Franco, Nicaraguan Economy and Development minister

President's Economic Adviser on Economic Plan

PA1408201390 Managua BARRICADA in Spanish 13 Aug 90 pp 1, 5

[Text] Haroldo Montealegre, President Violeta Chamorro's economic adviser, has told BARRICADA that the government had been executing a monetary stabilization plan and that now it plans to apply a "36-month stabilization and structural adjustment plan."

The new plan was presented to President Chamorro on 11 August by the economic cabinet and could be presented to the different social and political sectors this week in a first round of consultations. The cabinet will meet in plenary session today and it is expected that the new plan will be announced to the ministers.

Montealegre said that the new plan is similar to the one promoted in Mexico by President Carlos Salinas de Gortari and included a "social pact" in which the labor sector, businessmen, and the government participate.

The presidential adviser denied the plan has been presented to the IMF and the World Bank for approval, and said that step will only be taken after coordinating with the different social, economic, and political sectors.

Montealegre said: "At this moment, the priority for the Nicaraguan Government is to succeed with a 36-month stabilization and structural adjustment plan that will allow it to receive support from all the sectors and undertake a number of necessary measures."

Among others, he mentioned the necessity to put a stop to the fiscal deficit and set the microeconomic bases for the country's economy to growing again, as well as employment and real salary. For that, he said, monetary stability, low marginal tax rates, "deregulation" of economic activity—both financial and commercial—and the sale of some state goods are necessary.

Montealegre assured that the plan would provide the conditions for private investment to be reestablished in the country.

Once this is done, he said, "the idea is to anchor the currency to a plan different to the current one so that there may be complete monetary stability."

Montealegre insisted it is not a continuation of what has been done, but "a different program." At this moment there is no "anchorage," but constant devaluations of the cordoba, and, by issuing a minimum amount of gold cordobas, neither one carries out the duty of currency, he said.

"It is impossible to anchor the currency to a gradual plan. The only way is a complete structural stabilization program, with an important social buffer with social, political, and economic coordination," Montealegre said.

The idea is to obtain as much foreign support as possible for the program to soften the adjustment, he added. In that sense he denied it was a "shock" program, since "it would have a social buffer and would be based on social coordination."

The so-called "Mayorga Plan" has caused deep unrest, not only in the working sectors that are affected by the constant devaluations, but also among businessmen.

A report from Monday's "News Pouch" reports that businessmen linked to the Higher Council of Private Enterprise [Cosep] are preparing a "lockout" [preceding word in English].

The publication quotes an unidentified "high government official," according to whom a managerial strike is being prepared in the "caverns of Cosep."

Argentina

Menem Avoids Falklands Sovereignty Issue

PY1408134290 Buenos Aires DYN in Spanish 0016 GMT 14 Aug 90

[Text] Buenos Aires, 13 Aug (DYN)—Today President Carlos Menem agreed with British Ambassador to Argentina Humphrey Maud to "leave aside" the Malvinas sovereignty issue, and to "act jointly in all other aspects" of the problems concerning the islands.

Menem received Maud at Casa Rosada for the first meeting they have held since the presentation of the ambassador's credentials following the recent resumption of diplomatic relations with the United Kingdom.

At the end of the meeting, Maud agreed to meet reporters at Government House, where he said "it was a rather confidential meeting I wanted to hold to exchange ideas on several matters."

The ambassador added: "We discussed international matters such as the Persian Gulf crisis, and we discussed bilateral issues regarding trade, investments, fishing grounds preservation, and the forthcoming exchange of visits between the two countries."

When asked about the possible exchange of visits between Menem and Prime Minister Margaret Thatcher, and whether he was the bearer of a message from the British prime minister to the Argentine president, the ambassador answered with a laconic "no."

Regarding fishing around the islands, he said: "We discussed the idea of how to preserve fishing grounds in the South Atlantic."

Maud added: "It is a common interest between my country and Argentina, and we have exchanged ideas on what can be done."

The ambassador said: "There is no report" on the Kelpers' request to expand the exclusion zone from 150 to 200 miles.

Maud added: "The level of British investments here has increased over the past few months. I have nothing new on this, but I know that several investors have already shown signs of confidence in Argentina's future," he said.

Regarding sovereignty over the Malvinas Islands, Maud categorically stated: "We agreed on leaving this issue aside, but that we must act jointly in all other fields."

He added that bilateral trade "cannot be increased overnight" although he said the visit by an Argentine delegation to London in November "will surely be in the interests of British investors, provided they want to know more about the situation here."

Regarding the request by relatives of soldiers who died during the Malvinas war to visit the graves, Maud said: "It is something we discussed with the International Committee of the Red Cross, and they are in charge of this. That is all I can say."

In conclusion, he said: "We fully agree (with Menem) in seeing the Iraqi action as a threat to world peace, because an attack against a country represents an attack on all others."

Government Increases Fuel Prices by 20 Percent

PY1408172490 Buenos Aires TELAM in Spanish 0144 GMT 14 Aug 90

[Excerpt] Buenos Aires, 13 Aug (TELAM)—The Economy Ministry decided today to increase the prices of petroleum liquid fuels by 20 percent as of 14 August as a first measure in view of the Persian Gulf crisis which has caused energy prices to increase considerably.

Economy Minister Under Secretary Carlos Carballo made the announcement after meeting with the economic team for almost four hours. He said: "In the next few days" the government will readjust utility bills such as electricity, natural gas, and bus transportation.

He added that "there are no plans" for other fuel adjustments later, but "we may have to review the situation in 30 days."

Carballo justified the 20 percent increase saying that the percentage "is similar to measures implemented in other countries" after the conflict in the Middle East. He added that in other countries the effect of the oil price increase on the cost of living "would be one or one and a half percent," but in Argentina the cost of living increase is more closely associated with other factors such as "the people's expectations."

Carballo admitted that the August cost of living "will probably be higher than that of July" which was 10.8 percent.

Carballo was very frank when he said that "the fuel price increase is very bad news. [words indistinct] making a revaluation of the salary policy for the public sector." [passage omitted]

Menem: Fuel Hike Will Not Affect Economic Plan

PY1408202590 Buenos Aires TELAM in Spanish 0222 GMT 14 Aug 90

[Text] Buenos Aires, 13 Aug (TELAM)—President Carlos Menem said tonight that today's fuel price increase implemented by the government will not affect the economic plan. He said that the plan "will continue unchanged." He added that the increase is the result of the Persian Gulf conflict.

Menem was speaking from Government House. He said that with the current increase Argentina "is still a little far" from international prices, and that "we want to discreetly prevent a greater impact."

He added: "We have tried to prevent an out-of-proportion increase in order not to create panic. There is no need for alarm. We are in control over the economic variables based on a plan which is solving the problems of the country."

He said that the decision to increase fuel prices "has no (repeat no) influence on the economic plan which will continue in the direction that we have established. This hike was created by the international situation and I believe that with the current increase Argentina is still a little far from international fuel prices."

Menem added that the Persian Gulf crisis "alone" was the reason for implementing the measure because "had it not been for that conflict, fuel prices would not have been increased. This is a situation affecting all countries."

Menem said: "There had been no plan" to implement the current increase since "we always think of increases as emergency measures prompted by unexpected situations" as provided for in the civil code of laws.

Asked if the fuel price increase would cause other price increases Menem said: "This hike is not as big as some in the past. It is also a sort of compensation for higher salaries."

He said: "The impact of price increases cannot cause greater deterioration to the community in a state which had to overcome two chaotic and hyperinflationary situations, and which is doing well in leading the economic process."

Menem emphasized that the economic variables promised to the IMF are in no way affected by the fuel price increase, the variables are going along as planned. He added that Argentina is fulfilling its international obligations.

Regarding the effect that the price increases may have on salaries, Menem said: "Labor-management negotiations are continuing, and the necessary mechanisms have been implemented to adjust them to the current situation."

Menem asked the people "to understand that it took a great effort to curb the hyperinflationary situation, and we are still in an inflationary process" but "there is no need to be afraid because along with inflation there is some growth of the economy; a slow but sure growth."

Menem concluded by saying: "We are on the right path" and "soon we will speak in different terms, a language of growth and development."

Economic Impact of Blockade on Iraq Minimal

PY1408190290 Buenos Aires LA PRENSA in Spanish 10 Aug 90 p 3

[Text] Argentine support for the UN trade blockade on Iraq does not affect either Argentina or Iraq given the small volume of their bilateral exchange, Iraqi diplomats and Argentine officials have noted.

"In reality, Argentine private and official exports to Iraq are not large, although the two countries had begun talks to resume the trade exchange that existed before the war against Iran," an Iraqi Embassy spokesman, who did not want to be identified, told REUTER.

He said that Argentine cold storage houses sell meat to Iraq, but in small volumes and without the mediation of official organizations.

Regarding cereal exports, Anibal Jozami, National Grain Board vice president, said: "In 1982 we sold Iraq wheat, soybeans, and byproducts [not further specified] worth $500 million."

Since that date, he added, no large volumes of grain have been sold to Iraq, "although this does not mean that Iraq has not resorted to a triangular operation to buy Argentine cereals."

Jozami said: "We learned that the Iraqis were interested in buying wheat for human consumption, forage, and seeds so we established contact, but in light of the war situation, the talks remained without effect."

Documents from the Argentine Foreign Trade Secretariat state that "between 1984 and 1989 Argentina exported $9.6 million worth of hides, beans, sheep by-products, and soybean pellets to Iraq."

The Iraqi Embassy spokesman added: "Argentina was interested in participating in the trade fair that will be held in Baghdad next November, and local businessmen were contacted for this purpose. However, I do not know what will happen now."

Cavallo, Uruguayan Ambassador on Gulf Crisis

PY1508030290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2030 GMT 14 Aug 90

[Text] Buenos Aires, 14 Aug (NA)—Argentine Foreign Minister Domingo Cavallo and Adolfo Diaz Estape, the Uruguayan ambassador to Argentina, have agreed that "the economic sanctions that the UN Security Council established against Iraq are severe but entirely justified."

Cavallo and Diaz have also stressed the need for Latin American countries to strengthen integration measures so as to undertake as many constructive actions as possible and thus try to safeguard peace in the Middle East.

Cavallo said: "Southern Cone countries are in permanent consultation to decide what attitude will be adopted regarding the Persian Gulf crisis. These countries are in full agreement that maximum efforts must be made to avoid a deterioration of the crisis."

Moreover, the Uruguayan ambassador said: "The suspension of trade with Iraq will signify a great sacrifice for the economies of our countries. But there is an understanding that in view of the current situation, this measure must be supported."

Ambassador Diaz Estape said: "In addition to supplying oil, Iraq is a strong buyer of Uruguayan products. Therefore, the Uruguayan export sector will also be affected. However, this is a necessary measure."

Speaking about Latin American integration, Foreign Minister Cavallo said: "There is a renewed interest in this subject and it currently constitutes an objective that can be achieved."

He added: "In the past, the ultimate objective of our unity was to isolate ourselves from the rest of the world. But today, our objective is to achieve an insertion into the world."

Cavallo also asserted that the idea of a common market in the Latin American Southern Cone "is another example of an integrationist undertaking which seeks to acquire continental dimensions."

The Uruguayan ambassador said: "Without anyone being credited for it, our countries are experiencing a very special time in their history because important decisions are being adopted that will have a great impact on the future."

Diaz Estape said: "In this regard, Uruguay categorically upholds regional integration because it cannot be excluded from a process of international characteristics."

Bolivia

President Paz Zamora Defends Economic Plan

PY1408202490 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Aug 90 p 9

[Interview with President Jaime Paz Zamora by unidentified reporter in La Paz on 3 August]

[Text] [O ESTADO] After a year in power, you have maintained exactly the same economic policy of your predecessor, a policy you criticized heavily during your political campaign. Is this the Bolivian formula for stability: New politicians and old recipes?

[Paz] Perhaps heavily criticized is not the appropriate phrase. I think I am the first in Bolivian history to have carried out an opposition free of conspiracies against the government. I never considered the existing economic policy as neo-liberal, I rather considered it as a rational policy in face of the irrationality there was in the whole world.

[O ESTADO] Bolivian social and political stability greatly depends on the fact that other countries, especially the rich ones, should understand your policy and be willing to make investments. The reply of those countries has so far been quite reserved, don't you think?

[Paz] I believe that Bolivia is not very much used to investments. That is, there is a need for change in the country. Bolivia has always been a kind of blank space in the field of foreign investments. Investments used to be made in Brazil, Argentina, Peru, and Chile, but not in Bolivia. During my first year in government, we managed to make a historic change. For the first time, we managed to sign in one year investment contracts worth $300 million. The country has really not realized the meaning of this.

[O ESTADO] Is there much resistance to foreign investments?

[Paz] No, not by the majority of the people. There is resistance by some sectors that 20 or 30 years ago were against foreign investments for ideological reasons, and they cannot understand that the best way to be patriotic and nationalistic in Bolivia nowadays is by bringing in foreign capital. Also, regarding those who want investment in non-strategic sectors, I ask: What is strategic in Bolivia nowadays? The only strategic thing in Bolivia is the need for foreign investments.

[O ESTADO] You are internationally considered as a leftist. Don't you think it is ironic to defend the arrival of foreign capital when for decades the opposite position has been one of the most sacred dogmas of the Latin American left?

[Paz] The 1940's, 1950's, and 1960's have been the decades of nationalization, and that was correct. I think those were decades in which Latin America needed to assert its nationality. That is why nationalization did not have an economic meaning, they simply meant an assertion of nationality. However, nowadays, we have overcome that stage of national assertion.

[O ESTADO] Have you also already overcome the stage of national monopolies?

[Paz] If those monopolies were a stronghold in the 1940's, today they have become a burden and a point of weakness. The situation has totally changed, and a good leftist is a man that understands the reality of his country. This is what I would call a national left: That which does not try to impose its ideology on the country.

[O ESTADO] When one hears about Bolivia, one immediately thinks of drug trafficking. How important do you think coca is for the Bolivian black market economy?

[Paz] It is very important. Our stability could not be understood if that which is part of our economy, and which does not figure in our accounting, were not taken into consideration. Four years ago its importance was even greater. This is what we call the coca economy, that is, it includes all the economic activities that developed around coca cultivation. The alternative for this, in order to be valid, must be another kind of economy. We said that to the Americans. In order to achieve a modern and efficient alternative economy, we must substitute whatever income we obtain from coca with foreign investment.

[O ESTADO] Have you obtained the international financial community's understanding for this situation in Bolivia?

[Paz] I think so. In the last Group of Seven meeting in Houston, the most industrialized countries approved the conclusions we reached in the Cartagena summit. Especially regarding the alternative development issue. In practice, the United States has nearly doubled its economic aid to Bolivia.

[O ESTADO] Your main neighbor, Brazil,—at least in words—is moving toward a policy of becoming the last country in the First World rather than the first country of the Third World. Do you object to this kind of declaration?

[Paz] Brazil has, on one side, the sea, and on the other, Bolivia. I was pleased to observe President Collor's gradual change of position. During his political campaign we did not like him, at least from the Latin American aspect. During his campaign he was not clear, and when he was he was very harsh about it. However, now that he is in power, he is quite different. With Bolivia for example, he has a quite Latin American kind of treatment. He has taken an important step toward the implementation of the cooperation agreements which were a mere declaration of intention by our predecessors. Bolivia's experience with President Collor is that of a president with a deep Latin American feeling.

Senate Approves Paz Zamora's Trip to Brazil

PY1408030890 La Paz La Red Panamericana in Spanish 0000 GMT 14 Aug 90

[Text] Congress has authorized the president of the Republic to travel to Brazil and to hold negotiations with his Brazilian counterpart Fernando Collor de Mello on the matter of power integration.

The congressional session acknowledged receipt of the official note sent by President Paz Zamora, in which he explained the reasons for making this governmental decision.

Following a debate on the importance of this visit for the future of Bolivia and for the effective use of power resources, the congressmen approved the two-day visit that will begin tomorrow. [recorded passage indistinct]

Editorial Views Vice President Quayle's Visit

PY1408181190 La Paz PRESENCIA in Spanish 9 Aug 90 p 3

[Editorial: "Quayle's Visit: Three Subjects for Discussion"]

[Text] During a brief meeting with journalists, U.S. Vice President Dan Quayle said a few things that warrant commentary and a few others that must be well recorded for future reference.

It must be pointed out that Mr. Quayle ruled out the possibility of U.S. troops participating in the antitrafficking struggle. He categorically ruled out this possibility, thus eliminating any doubts.

Obviously this statement calms the Bolivian people and leaves strategists like General Max Thurman—who saw the Andean Pact countries as an ideal place for militarizing the antitrafficking struggle—without a case.

It must be pointed out, however, that when he stated that the Bolivian Government is able to request whatever aid it needs, Quayle has left open a small gap through which military advisers and materiel could arrive. But let us for now leave aside the skepticism and accept "his promise."

Our visitor should know that Bolivians are a peaceful people who would be horrified at the idea that the military solution would prevail over the alternative development project because the increased coca production is a result of our current serious economic and social crisis.

To face this problem we have the "Coca for Development" plan which has been approved by all sectors of the country. If the United States respects the sovereignty of other countries, it could demonstrate it by allowing Bolivia to solve things on its own.

The same argument is valid for the extradition of Bolivian drug traffickers to the United States. The current agreement for the exchange of arrested criminals establishes that U.S. citizens in Bolivian prisons may be extradited to their country to serve their sentence and vice versa. Why not leave things as they are?

The extradition treaty that is now being proposed violates the spirit of the current one because it denies Bolivian justice the opportunity of both sentencing foreigners who have committed crimes in Bolivia and also our own fellow countrymen. We should strengthen our courts, combat corruption, and build maximum security prisons before we decide to irreparably harm one of the pillars of our democratic institutional system.

In conclusion, the political connotation that Quayle has placed on the Americas Initiative, which was proposed by President George Bush, must be considered. According to Quayle, this is a project aimed at building a united continent in which the north, the center, and the south would disappear.

This utopia, pragmatically worded, does not seem possible without a previous effort to balance the economies of the region.

One would expect that the events in East Europe, together with the German reunification, the possibility that the Soviets will be reintegrated into Europe, the functioning of the EEC, and the ceaseless economic growth of Japan, would drive the United States to make a sincere self-criticism regarding its relations with the South and to change a policy that, in many aspects, contradicts the democratic values sustained by the U.S. people.

The "mutual respect and sincere friendship" that Quayle spoke about will only be possible if there is the will to modify the current situation.

Trade Unions Reject Quayle's Presence

PY1408190390 La Paz PRESENCIA in Spanish 9 Aug 90 p 5

[Text] The Bolivian Labor Federation [COB] has stated that the presence of U.S. Vice President Dan Quayle represents intervention into Bolivian domestic affairs. The Single Trade Union Confederation of Bolivian Peasant Workers [CSUTCB] has stated that the U.S. vice president came merely to check the implementation of the coca farm eradication program.

The COB Executive Committee has issued a communique repudiating the meeting between President Paz Zamora and Quayle at Government House yesterday afternoon. During this meeting the two leaders addressed bilateral issues like the coca farm eradication program, drug trafficking, the foreign debt, and the signing of a new extradition treaty.

The communique states: "Only a few times in our history has a Bolivian government bent so easily to the interests of U.S. imperialism, and there are many examples of U.S. intervention in Bolivian domestic affairs."

The communique states that the U.S. Government, using any excuse, introduces agents in our territory to fight drug trafficking and terrorism, or to watch our Armed Forces. It adds that the U.S. Government controls the Bolivian economy through the IMF, the World Bank, AID, and other organizations. In the labor field, there is a clear example of intervention in the creation of the Latin American Institute for the development of free labor union activities which, with the support of the Ministry of Labor, seek to divide the labor sector.

The document added that all these implications fall under the single name of "dependence and colonialism." To provide even further evidence of this assertion, "Vice President Quayle has arrived in our country on a visit that we reject and over which we voice our protest."

Mario Flores, executive secretary of the National Confederation of Bolivian Peasant Workers, has said that the high-ranking U.S. official has come to check whether the government has actually eradicated the 6,000 hectares of coca plantations.

The confederation has stated that it is clear that "there can be no eradication without development, and the U.S. Government should understand this situation."

The confederation warns that peasants and coca leaf producers will maintain their intransigent position in defense of the thousands of coca farms.

The peasants have also rejected the signing of an extradition treaty between Bolivia and the United States. Mario Flores said that "the law must be obeyed in Bolivia and drug traffickers should serve their sentences in the countries in which they commit the crimes."

Government Terms Visit 'Positive'

PY1408195690 La Paz PRESENCIA in Spanish 10 Aug 90 p 5

[Quotation marks as published]

[Text] The government parties represented in Congress have termed as positive the visit to Bolivia of U.S Vice President Dan Quayle, "because, they said, the fear of militarizing the fight against drug trafficking has now been done away with, and the U.S. decision to help economically in the fight against drug trafficking was made known."

The congressmen also stressed that it was made known through the U.S. vice president that economic and financial cooperation had been increased to $151 million.

Fernando Kieffer, president of the Chamber of Deputies, termed as positive the visit of the U.S. representative, because "the extradition treaty was discussed."

"Vice President Quayle made the U.S. Government's position clear regarding the militarization of the fight against drug trafficking, which was a subject of speculation in the country."

"Regarding congressional action, he said, it has been agreed to hold a meeting with U.S. congressmen in Bolivia in January 1991 and in which ideas pertaining to the fight against drug trafficking will be discussed."

Senator Jose Luis Carvajal, a member of the MIR [Movement of the Revolutionary Left], has stressed that the visit of the U.S. representative has "clearly established that the fight against drug trafficking will not be militarized." Moreover, cooperation and the training of military personnel for tasks in alternative development has been confirmed.

Deputy Miguel, a member of the Christian Democratic Party, highlighted the importance of signing an extradition treaty that will permit not only help in the control of drug trafficking, but will also help to control other criminal activities.

Efforts on Bilateral Trade With U.S. Increased

PY1408175290 La Paz La Red Panamericana in Spanish 0000 GMT 14 Aug 90

[Text] The Bolivian Congress will present a proposal for the sale of Bolivian products in the U.S. market to the Commerce and Investment Council, which will meet during the first half of September in the United States.

This was announced this afternoon by Industry and Commerce Minister Guido Cespedes, who discussed this subject with Bolivian Ambassador to the United States Jorge Crespo. We are preparing a Bolivian proposal on exporting products to the United States, the minister said. He added that the document contains four main parts. The first one refers to negotiations the Bolivian

Government intends to hold on installing assembly plants in Bolivia whose products would be sold in the U.S. market.

[Begin Cespedes recording, in progress] ... Second, we will discuss future bilateral trade with the United States within the framework of the progress we made in the Uruguay Round of the GATT. Third, we will see what benefits we can obtain from the preferential treatment system, which will also help strengthen our bilateral trade. Fourth, we will analyze the concrete mechanisms that would allow us to sign treaties for investment and free trade with the United States. This will enable us to simultaneously manage two instruments of international trade; that is, trade and investment. [end recording]

Minister Cespedes announced that he and Bolivian Foreign Minister Carlos Iturralde will attend the Commerce and Investment Council meeting, which will take place in the United State on (3) September.

Peasants Report DEA Continues Blasting Roads

PY1408235290 La Paz PRESENCIA in Spanish 10 Aug 90 Section 2 p 1

[Excerpt] Cochabamba, 9 Aug (PRESENCIA)—The Special Federation of Peasant Workers of the Tropical Zone (FETCTC) has reported that DEA officials continue to dynamite roads in the tropical zone.

FETCTC Executive Secretary Evo Morales Ayma has reported to PRESENCIA that on 5 August 1990 DEA agents destroyed a stretch of road in the area of the "Bolivar" Trade Union organization of the "Pedro Domingo Murillo" federation.

Morales Ayma explained that the North Americans argue this road and other roads in the zone serve as clandestine landing strips for the drug traffickers who are using them to operate their airplanes. He said: "This is not true. They are not clandestine landing strips. Therefore, their destruction is very harmful for our comrades."

Morales Ayma indicated that this event has been reported to the Cochabamba Department Prefecture to ensure the appropriate investigations and negotiations in order to prevent its repetition "because it is detrimental to the region." [passage omitted]

Shining Path Members Detained in Ulla Ulla

PY1508032890 La Paz Television Boliviana Network in Spanish 0030 GMT 15 Aug 90

[Text] A detailed report was learned of today about the arrest of some Shining Path militants in the locality of Ulla Ulla.

The Army commander today confirmed the arrest by Army troops of two Peruvian Shining Path guerrillas in Ulla Ulla, a town on the Bolivian-Peruvian border.

According to a military communique released today, the detainees have been identified as (Oscar Benito Machuca Jaite), and (Fernando Juan Tellez Centeno), both Peruvian citizens, although they were not carrying any identification cards.

After the appropriate investigations, the police verified that they were linked to the Peruvian Shining Path terrorist organization. They were carrying a Russian-made submachine gun, with two clips and 60 rounds, and a nine-mm Belgian pistol with nine rounds. Both weapons belong to the Peruvian Army.

On the night of 7 August, detainee (Oscar Benito Machuca) attempted an escape by trying to seize one of his guards' rifle. During the fight, he sustained a bullet wound that killed him. He was buried at the Ulla Ulla cemetery.

After the appropriate formal procedures, the other detainee was taken to the Army Staff Department, for appropriate investigations. He was later handed over to Peruvian authorities in one of the border areas.

Agriculture Minister on Agro-Yungas Project

PY1508004090 La Paz EL DIARIO in Spanish 10 Aug 90 p 5

[Excerpts] Mauro Bertero, minister of agriculture, livestock and campesino affairs, has admitted that the objectives previously outlined within the Agro-Yungas project have not been achieved. He said, however, that the alternative development programs have earmarked 100 percent of their investment to the social infrastructure. [passage omitted]

Bertero said that one of the main reasons for the unrest of the peasants was the fact that certain changes, such as the international price of coffee, have not been considered, taking into account that the main objective of the Agro-Yungas project was the replacement of coca plantations with coffee plantations. Coffee, however, could not capture a safe international market and a good price in three years. [passage omitted]

Bertero said: "We are mainly concerned about the need to implement the coca for development thesis, with investments in the social infrastructure such as the health, education, and transport sectors, better trade, and more open price systems."

He added: "We should understand that we are now better than before under the alternative development system, but we have not yet met our real objectives." [passage omitted]

Brazil

Iraq's Husayn Responds to Collor's Message

PY1508011590 Madrid EFE in Spanish 1933 GMT 14 Aug 90

[Text] Brasilia, 14 Aug (EFE)—Iraqi President Saddam Husayn has responded to a message from his Brazilian counterpart, Fernando Collor de Mello, who requested that Brazilians residing in Iraq be allowed to leave.

The Brazilian Foreign Ministry today reported that in his reply, which was received last night, Husayn expressed his willingness to find a solution to the problem as soon as possible.

There are approximately 400 Brazilian citizens in Iraq, most of whom are employees of Brazilian companies that have business interests in Iraq. Thus far, only about 30 Brazilians have managed to leave Iraq.

Collor de Mello sent a message to Husayn on 11 August following of unsuccessful diplomatic efforts to allow the Brazilian citizens to leave Iraq.

Brazilian diplomatic sources believe Husayn's reply is just a formal move and that the problem remains unsolved.

Fuel Prices Increase Following Middle East Crisis

PY1508011290 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Aug 90 p 1

[Text] Fuel prices have been adjusted by 8.9 percent. The exact new price, which became effective as of 0000 [0300 GMT] today, have not been officially announced. Infrastructure Ministry advisers just disclosed the increase percentage.

Based on these figures, gasoline now costs 43.32 cruzeiros per liter and alcohol 32.51 cruzeiros per liter, without the IVV [expansion unknown]. Fuel oil, whose price has been increased by 9.2 percent, now costs 21.19 cruzeiros. A bottle of gas now costs 238.04 cruzeiros.

The fuel price increase is the first practical impact of the international petroleum price increase following the Iraqi invasion of Kuwait. According to Petrobras [Brazilian Petroleum Corporation] President Luiz Octavio da Motta Veiga, Brazil is purchasing petroleum from Nigeria, Algeria, and Angola.

Rezek Says Ties With Iraq To Continue

PY1408225490 Brasilia Domestic Service in Portuguese 2200 GMT 14 Aug 90

[Text] Brazil has decided to continue to maintain diplomatic relations with Iraq. The decision was made after the Iraqi Government authorized the departure of Brazilian citizens from Baghdad and Kuwait. The announcement was made by Brazilian Foreign Minister Francisco Rezek.

[Begin Rezek recording] The Iraqi Government yesterday gave assurances that there will be no more restrictions or obstructions for their departure. We believe they will comply with these guarantees. [end recording]

Rezek said the Brazilian Government is satisfied with President Saddam Husayn's decision to release the Brazilian citizens. He admitted that Brazil may send food to Iraq if it is confirmed that the operation would be for humanitarian reasons. The United Nations has not banned this type of emergency aid.

Increased Trade With Bolivia Expected

PY1408185390 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 14 Aug 90

[Text] In the opinion of Itamaraty spokesman Jose Vicente Pimentel, relations between Brazil and Bolivia are good and bilateral trade should increase accordingly.

[Begin Pimentel recording] It all depends on the outcome of the ongoing negotiations. The infrastructure minister has just said that new possibilities exist to that effect, and not just with Bolivia but with all the neighboring Latin American countries. We are seeing every day that the time is ripe. [end recording]

Bolivian President Arrives, Meets Collor

PY1508010090 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 14 Aug 90

[Report by Miriam Dutra]

[Text] Bolivian President Jaime Paz Zamora arrived in Brasilia in a small jet plane since La Paz and Brasilia are so close; it is only a two-hour flight.

The Bolivian president went straight to Planalto Palace to hold his first working meeting with President Collor. Bolivia seeks to conclude a new agreement to sell natural gas to Brazil and to expand bilateral trade to include other commodities.

[Begin Paz Zamora recording] My friend, Fernando, is a great guy. [end recording]

Paz Zamora is the fifth South American president with whom President Collor has met in the past two months. Apart from the agreements signed, these talks have always centered on one objective: To discuss U.S. President George Bush's proposal to create a common market of the Americas.

During this first meeting, the Bolivian president expressed interest in the Bush proposal but, like all neighboring countries, he wants to know how the common market of the Americas will actually work.

PRC's Li Peng Discusses Economy, Bilateral Ties

PY1408212790 Rio de Janeiro O GLOBO in Portuguese 12 Aug 90 p 62

["Exclusive" interview with PRC Premier Li Peng by Carlos Tavares de Oliveira; place and date not given]

[Text] [Tavares] To what extent has the government's economic plan deteriorated as a result of the decline of foreign investments in China following the political incident that took place last year in Beijing? Have foreign investments recovered?

[Li Peng] Foreign investment in China declined for some time following the incident that took place on 4 June 1989. Meanwhile, as China's political and social situation becomes stable and the country's economy grows, foreign investment recovers. The interested bodies in China are studying and drawing up favorable policies to encourage foreign investment in energy, communications, and basic raw materials, and in other priority areas. China also encourages foreign businessmen to establish companies with foreign capital alone, or as companies with Chinese-foreign capital that have advanced technology and manufacture products for export.

[Tavares] In general, how was China's economic situation during the first half of 1990? Has the serious inflation rate been controlled?

[Li Peng] Recently, many foreign friends have demonstrated their concern over China's economic situation. As my country's premier, I want to take this opportunity to tell the friendly Brazilian nation that China's economic situation during the first half of 1990 was good, the most difficult moments have already passed, inflation has been curbed, and the national economy as a whole is gradually returning to an honorable state. This general trend is obvious. This year, we will continue to apply the reorganization and correction guidelines in the economic field and increase the reform. In general, we will continue to apply an austerity policy in the financial and monetary fields. The degree of austerity has been adjusted. Practice over the past few months has demonstrated that this guideline is correct; the measures are appropriate and the results are notable. All this is reflected by the stable growth of industrial production. Industrial production has been growing every month since March and the industrial production growth rate reached 5.9 percent in June. Investment in capital goods has begun to recover and the investment structure has continued to improve. Over the January-May 1990 period, investment in fixed assets of entities owned by the people increased by 1.7 percent as compared to that over the same period last year. Investment in production projects has increased by 3.1 percent. The rural economy grew in a stable way. We had a good harvest of summer grain crops, the yield surpassed that of last year. This was the best harvest in history. The development of the most important projects is progressing satisfactorily and the expansion and operation of some great power projects and raw material projects have enhanced economic development. Market (wholesale) sales have improved and retail sales of merchandise are gradually recovering.

PRC foreign trade is experiencing satisfactory development. Between January and June, the level of exports increased by 15.4 percent compared with the same period last year. The total amount of national reserves available increased by more than $4 billion in comparison with levels at the start of this year. As the economic situation improved during the first half of 1990, inflation was curbed and prices tended to stabilize. In 1988, the PRC experienced relatively serious inflation and wholesale prices increased by 18.5 percent. After one year of streamlining and rectifying in the economic sector, last year high wholesale prices decreased to 17.8 percent [as published]. During the first five months of 1990, wholesale prices fell to 3.5 percent [as published]. Overall, inflation has been curbed in the PRC. We have overcome the most difficult period and we are already experiencing a satisfactory development trend in all economic sectors. Some economic experts estimate that if industry maintains its current development trend, and if no important natural disasters affect the agriculture sector, industrial and agricultural production may increase by six percent and four percent, respectively. At the same time, prices will increase by less than 10 percent this year, a deceleration from the 17.8 percent increase of prices in 1989. I believe this is an objective estimate. Although the economy is currently performing well as a whole, not all its problems have been resolved. We still face some difficulties. We have not yet found essential solutions to factors that cause inflation and to some old problems, such as the irrational industrial structure and the deficiencies in the economic system.

Old problems added to the new contradictions that came up in the process of streamlining and rectifying the economic area, thus making the resolution of problems more difficult. We were then forced to exert greater effort into streamlining and rectifying the economic area. In the future, as we continue to exert and improve control over the total volume, we will also place emphasis on the following main points: First, the process of streamlining and rectifying the economic area will be directed toward readjusting the structures and increasing profitability; Second, we will try to integrate the streamlining and the rectifying in the economic area as the reform progresses so that the opening to the outside world can be broadened, the reform in the area of price, financial, and monetary matters can be carried further, and thus allowing the state economic relations with localities, enterprises, and individuals can be correctly administered to promote the continuous, stable, and harmonious development of the Chinese economy. For some time now some experts abroad have predicted that our inflation control effort would bring about a stagnation and a retrogression within our economy, causing greater difficulties. However, not only did those predictions not materialize, but the economy showed a good development trend. I am therefore optimistic about the

Chinese economic situation and its prospects. In my view, the political and economic situation of China is stable, and its society is calm and united. Brazil is the largest emerging industrial country in South America, and China is the largest developing country in Asia. In recent years, the two countries have steadily increased their economic relations and both have promoted their economic development. I believe that the development trend now exhibited by the Chinese economy will favor greater cooperation between the two countries, with their subsequent economic development.

[Tavares] It is said that foreign investments in the PRC are estimated at $30 billion. Have investments in China's development been interrupted during the new economic adjustment period?

[Li Peng] During the current economic adjustment period we adopted some measures for streamlining and rectifying the economic area so that our economy can develop in a sustained, solid, stable, and harmonious way. Speaking of basics, the way we go about streamlining, rectifying, and adjustment will not affect the interests of foreign investors; rather, the improvement of the macroeconomic climate and the economic order will provide more security for foreign investments in China and will favor their administration and management, thus ensuring benefits. We will not stop foreign investments in China's development. In fact, with the continuous improvement of the climate for investment in our country, a greater number of foreign businessmen have invested in China. In 1989 new projects for investments totaling $5,779,000,000 were approved; foreign resources of $5.6 billion were contracted, some 5.7 percent more than last year. The real inflow of funds totalled $3.39 billion, an increase of 6.2 percent.

[Tavares] Is it true that after the historical meeting with British Prime Minister Margaret Thatcher, Deng Xiaoping stated that in 1997, when Hong Kong is returned to the PRC, its capitalist status will not change, that it will remain unchanged for at least another 50 years?

[Li Peng] In December 1984, the PRC and Great Britain officially signed the "Joint Declaration on the Hong Kong Issue." Upon resuming its sovereignty over Hong Kong on 1 July 1997, the PRC Government will implement a "one country, two systems" policy regarding this island. As you know, the idea of "one country, two systems" is essentially a PRC policy, prepared by PRC leaders after thorough analysis and taking into account the historical and current circumstances. Under this policy, which seeks the reunification of the fatherland, the PRC Government outlined a number of principles and policies on Hong Kong which are already included in that joint declaration and in the annexes.

Those principles and policies are as follows: The PRC Government restores its sovereignty over Hong Kong in 1997. To maintain the unity of the fatherland, territorial integrity, prosperity and stability of Hong Kong, and taking into consideration the history and the situation of Hong Kong, the PRC Government—on restoring its sovereignty and in keeping with Article 31 of the Constitution—will establish a special Hong Kong administrative zone. This zone will enjoy considerable autonomy in several areas, with the exception of national defense issues and diplomatic matters, which shall fall under the control of the central government. No socialist policies or systems will be enforced in the administrative zone. The original way of life and the capitalist socioeconomic system will remain untouched and no major changes shall be introduced into the laws. The zone will preserve Hong Kong's position as an international financial center and duty-free port, and the economic interest of Great Britain and of other countries in Hong Kong will be preserved. At the "joint declaration, we announced that the above-mentioned policies and principles will remain unchanged for 50 years [quotation marks as published]. In April of this year, the PRC People's National Congress approved and promulgated the Fundamental Law of the Special Hong Kong Administrative Zone. The above principles and policies were therefore became laws. The economic progress and the social stability of Hong Kong will thus be legally guaranteed for a long period of time.

[Tavares] What is your opinion of Brazilian-PRC trade?

[Li Peng] Bilateral commercial ties have been satisfactory in the past few years, and the level of trade has been quite high. We are satisfied with the development that bilateral commercial ties have achieved in the past few years. Concerning the deficit that the PRC has registered in its trade with Brazil, we will not reduce our imports merely to reach a balance. On the contrary, we will make an effort to increase our exports to Brazil. We would also like the respective Brazilian organizations to facilitate the access of PRC products to the Brazilian market. The PRC and Brazil are developing countries. Cooperation with Third World countries is an important part of the PRC's foreign policy. I believe that in addition to their normal trade, our two countries should also develop multiple economic and technological cooperation and exchange ties. We are convinced that through joint efforts, Brazilian-PRC economic and commercial relations can reach a successful and satisfactory level.

Army's Financial Difficulties Highlighted

PY1408232890 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 90 p 5

[Report by Roberto Godoy]

If the latent conflict between Venezuela and Guyana over the Rio Essequibo Valley should now flare into active combat, Brazil would have mobilization difficulties, even to guard the border and prevent the violation of our territory. The deployment of troops to that region would require money and equipment that the Army actually does not have available.

In fact, with approximately 325,000 men—223,000 in the Army, 50,300 in the Navy, and 50,700 in the Air Force—the Brazilian Armed Forces maintain a fixed contingent of 143,000 soldiers, half of whom are engaged in activities such as administration, health services, and maintenance, as opposed to an ideal number of 182,000 conscripts. The level of training of these troops is very low and uneven. A great number of units combine equipment that is over 30 years old—for example, trucks manufactured in the late 1950's—with wheeled Urutu armored vehicles, manufactured by Engesa [Specialized Engineers, Inc.]. The Urutu is one of the most efficient vehicles in the Western Hemisphere.

Even worse, cash problems to meet routine expenses frequently arise. Before the inauguration of President Fernando Collor, there was no money in the Amazonian units to buy meat. On the south-southeast axis, the personnel who were serving their compulsory military service were allowed to have lunch at their homes. Although this critical situation has been overcome, from an operational viewpoint, the low funding problem persists. The FT-90 program, introduced at the beginning of the Sarney Administration to conduct an Army modernization process through the decade, did not make it through the first part of its initial phase. The Navy is confronted with the obsolescence of its fleet while the FAB [Brazilian Air Force], affected by successive budget cuts, shelved a project to build a Brazilian-made supersonic fighter, slowed the delivery rate of the AMX fighter-bomber, and limited itself to modernizing its Mirage IIIE's and F-5E's.

This reality is opposed to a projection regarding strategic pressures. Although there is no threat of a large-scale conflict, Brazil will hardly be able to avoid engagement in issues such as the militarization of the struggle against drug trafficking, political terrorism, and the defense of natural reserves; diffuse components of operations at the turn of the century, during which the country has still not been able to define the true role of the Armed Forces.

1990 Military Budget Lowest in 20 Years

PY1408235990 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 90 p 5

[Excerpt] Brasilia—The 1990 budget for the Armed Forces is the lowest in the past 20 years. This year the Armed Forces will receive 2.24 percent of the national budget, while in 1970 they received 19 percent. The all time highest military budget was in 1971 with 23 percent of the national budget, and it has been dropping since then. This data were released by top Brazilian military chiefs who visited the Planalto Palace this week.

Although President Collor has forbidden military chiefs from engaging in political matters, he has maintained a professional coexistence with the three branches. He has already visited the Army, the Navy, and the Air Force, where he tested, as a guest of honor, the most modern military equipment available in the country. [passage omitted]

Chile

Foreign Minister Silva Receives Death Threats

PY1508024490 Buenos Aires DYN in Spanish 1916 GMT 14 Aug 90

[Text] Santiago, 14 Aug (AFP)—Chilean Foreign Minister Enrique Silva Cimma today disclosed that he received death threats from the Lautaro Rebellious and Popular Forces [Fuerzas Rebeldes y Populares Lautaro]. Nevertheless, he downplayed the importance of the incident.

The Lautaro organization, created in the final years of the regime of General Augusto Pinochet, claimed responsibility for a number of robberies and attacks, the most recent of which was an attack on a police vehicle on 11 August. Two policemen died in the attack.

In addition to warning him that at any moment he should expect his "execution," the clandestine group's note addressed to the foreign minister says:"Bourgeois, traitor, and coward."

"Sincerely, I do not attach great importance to it," Silva Cimma said, remembering other threats that he received when, as the Radical Party leader, he was responsible for the campaign of Christian Democratic Party President Patricio Aylwin.

Leftist Deputies Want Diplomatic Ties With Cuba

PY1508024290 Santiago Radio Cooperativa Network in Spanish 2300 GMT 14 Aug 90

[Text] Deputies of the Christian Left [IC] Jaime Naranjo and Sergio Aguilo today stressed the need to resume diplomatic relations with Cuba. They expressed this idea during an almost one hour-long meeting with Foreign Minister Enrique Silva Cimma. At the end of the meeting, Sergio Aguilo said:

[Begin recording] [Aguilo] Well, we held a meeting with the foreign minister seeking two main objectives. One is to learn directly from the government the reasons for the delay in resuming relations with Cuba, and second, to express our opinion on behalf of the party, that we want the resumption of diplomatic relations with Cuba to be accelerated. We feel that the current foreign policy is pragmatic and seeks rapprochement among all Latin American countries.

[Reporter] What did the foreign minister answer to that?

[Aguilo] Well, the minister said the government is in permanent contact with Cuba, and that the government also has the best intentions to resume relations with Cuba. [end recording]

Aguilo admitted the existence of impediments for the resumption of relations, severed when the Chilean military government assumed office in 1973. One of these impediments is a Cuban debt to Chile over sugar sales,

the detention of a Chilean in Cuba, and the problem concerning Cuban Government aid to leftist Chilean armed groups.

The foreign minister added that the government is studying the possible resumption of relations with Cuba, and that there will be no changes until the people become convinced that it is important to resume relations, and that all obstacles have been overcome.

Venezuelan Minister Comments on Fuel Prices

PY1408180090 Santiago Radio Cooperativa Network in Spanish 2300 GMT 13 Aug 90

[Excerpt] Venezuelan Development Minister Moises Naim said today that his country is not interested in disproportionate increases in oil prices or in disorganizing international energy markets.

Naim is heading a delegation to prepare the agreements that the Chilean and Venezuelan presidents will sign when President Patricio Aylwin visits Caracas next October. The delegation held a working meeting with Economy Minister Carlos Ominami. Naim told the press that the agreements to be signed will deal mainly with trade, investment, transportation, and tariffs between the two countries.

Naim emphasized the trade potential between the two countries. He said that the current trade is $800 million, which includes $110 million for Venezuelan oil exports to Chile. Asked about the Venezuelan position on the crisis created by Iraq, Naim said his country is concerned about the situation. [passage omitted]

Diplomatic Relations Reestablished With Algeria

PY1408165690 Santiago Domestic Service in Spanish 1100 GMT 14 Aug 90

[Text] The Foreign Ministry has reported in an official communique that the Chilean and Algerian Governments have reestablished diplomatic relations. The ceremony was held at UN headquarters in New York, and the documents were signed by the UN representatives of both countries.

Algeria became independent on 3 July 1962; on 8 October of the same year it joined the United Nations with Chile's vote.

Former PCCh Militants Join Socialist Party

PY1508005090 Santigo EL MERCURIO in Spanish 8 Aug 90 p C4

[Excerpt] A dozen former militants of the Communist Party of Chile [PCCh], who over the last 10 years abandoned the party in disagreement with the popular rebellion policy, yesterday formally joined the Socialist Party of Chile [PS].

This was announced by writer Antonio Ostornol, the group's spokesman. Ostornol, along with PS Secretary General Jorge Arrate, PS youth leader Ernesto Aguila, PS Under Secretary Carlos Lazo, and Hernan del Canto, a member of the PS political commission, yesterday held a news conference.

The new PS members are part of the so-called "Manifesto Group," a movement formed by former PCCh militants who broke with the PCCh and its rebellion policy and in February 1990 signed a document in which they revalue democracy and champion the political and ideological renewal of the left.

In addition to Ostornol, sociologist Hugo Rivas, Maximo Aguilera, Lilian Mires, Alfredo Riquelme, Daniel Asenjo, and Kleber Monlezun Soto are among the new PS militants.

In a letter addressed to the PS leadership, the new PS militants express their willingness to contribute, within the PS ranks, to the renewal of the left and the strengthening of democracy in Chile. [passage omitted]

Colombia

President Gaviria Completes Cabinet Appointments

PA1408195490 Bogota EL ESPECTADOR in Spanish 7 Aug 90 pp 1-A, 14-A

[Text] President Cesar Gaviria has completed his Cabinet as follows:

Defense minister: General Oscar Botero Restrepo, confirmed in post

Education minister: Alfonso Valdivieso, Liberal Party

Labor minister: Francisco Posada de la Pena, Conservative Party

Public works minister: Juan Felipe Gaviria, Liberal Party

Mines and energy minister: Luis Fernando Vergara, Liberal Party

Agriculture minister: Maria del Rosario Sintes de Restrepo, Conservative Party

Justice minister: Jaime Giraldo Angel, independent conservative

Communications minister: Alberto Casas Santamaria, Conservative Party

Health minister: Antonio Navarro Wolff, Democratic Alliance Movement M-19 [Movimiento Alianza Democratica M-19]

Others who are assuming office today are:

Government minister: Julio Cesar Sanchez, Liberal Party

Foreign relations minister: Luis Fernando Jaramillo Correa, Liberal Party

Economic development minister: Ernesto Samper Pizano, Liberal Party

Finance minister: Rudolf Hommes, Liberal Party.

Appoints Close Aides

PA1408190690

[Editorial Report] Bogota EL TIEMPO in Spanish on 8 August 1990 publishes on page 3A a 900-word report on the appointment of close aides by President Cesar Gaviria Trujillo.

The newspaper provides brief biographies of the following newly appointed officials:

Rafael Pardo Rueda, who was presidential adviser for peace under the Virgilio Barco administration, has been appointed security adviser.

Jesus Bejarano, 44, will be new presidential adviser for peace, replacing Rafael Pardo Rueda.

Maria Emma Mejia, 36, will be the special adviser for peace in Medellin, a new post that President Gaviria announced in his inauguration speech.

Armando Montenegro Trujillo has been appointed national planning director.

Luis Guillermo Prieto Ocampo has been selected by the new administration to be the president of the Banco Cafetero, replacing Jorge Humberto Botero.

Pilar Calderon, 32, has been appointed secretary of press and information of the presidential palace.

Rodrigo Pardo, whose background includes being adviser to former President Barco and former presidential candidate Ernesto Samper, has been appointed deputy foreign minister.

Fernando Brito will be legal secretary, and Fernando Carrillo will be adviser on constitutional matters.

Changes in Judicial System Made To Fight Crime

PA1408180590 Bogota El TIEMPO in Spanish 10 Aug 90 pp 1, 8A

[Report by Edgar Torres]

[Text] In a few days, the new Colombian Government headed by President Cesar Gaviria will implement a new strategy to fight drug trafficking and terrorism. The government will probably improve the state's current legal mechanisms to fight both crimes.

The first steps include, among others, the reorganization of specialized justice under the National Directorate of Criminal Investigation and the creation of five new divisions: Division of Investigative Judges, Elite Judicial Police Corps (composed of the best 100 police members), a specialized group of prosecutors, a group of trial judges, and a group of judicial assistants (experts, etc.).

Those divisions will work in a "security village" and will be permanently coordinated by the "Administrative Directorate of Specialized Jurisdiction," an office that will be created within the National Directorate of Criminal Investigation.

The new office will be in charge of guaranteeing the security of all the people linked to the specialized jurisdiction and their relatives.

The Administrative Directorate of Specialized Jurisdiction will be divided into five sections: Bogota, Cali, Barranquilla, Bucaramanga, and Medellin. Each section will be protected by the corresponding security mechanisms.

The new strategy includes a significant expansion of the current powers of the Judicial Police. The Judicial Police departments will be authorized to conduct preliminary investigations in drug trafficking and terrorist crimes, to force witnesses to stay at a specific place for six hours while they make their statements, and to arrest people against whom there is serious evidence of criminal responsibility.

The Judicial Police will also be allowed to tap phones and conduct raids if circumstances such as time and distance "from the judicial offices make it difficult to obtain a judicial order and if there is serious trustworthy evidence or statements that urge an immediate raid."

Furthermore, the free and spontaneous statements made by witnesses before the Judicial Police during the preliminary stages of a given investigation will be considered evidence, and the statement made by the corresponding secret agent will be considered as testimony that everything an individual states—even if he denies it later on—is true.

The specialized and public order courts created to fight drug trafficking and terrorism, respectively, will disappear and will give way to a significantlly more complex "specialized jurisdiction."

The specialized jurisdiction will operate in a unified manner under the authority of the director of the National Directorate of Criminal Investigations and will have the five aforementioned divisions.

According to the draft decree, a "superchief" of criminal investigation, who will be the administrative director of the specialized jurisdiction, will coordinate the five divisions, will assign the various investigations according to the agents' ability and not at random, will have access to all files, will determine which judge should rule on which case, and will ensure full compliance with the terms of the decree and the effective use of evidence.

The creation of this organization will be the first step that new Colombian Justice Minister Jaime Giraldo Angel will make.

The Administrative Directorate of Specialized Jurisdiction will first transfer the cases to the "Department of

Criminal Investigation and Forensic Medicine" and then to the Attorney General's Office.

In the immediate future, however, President Cesar Gaviria's new government intends to issue a state of siege decree creating 70 courts of specialized investigation and 35 trial courts.

A "higher specialized tribunal consisting of the magistrates and personnel that currently form the Higher Public Order Tribunal" completes the legal and hierarchic infrastructure of the new specialized jurisdiction.

Assassins Kill Main Suspect in Galan Murder

PA1408162190 Bogota EL TIEMPO in Spanish 9 Aug 90 pp 1-A, 8-A

[Text] Ten days before the first anniversary of the assassination of Luis Carlos Galan, unidentified assassins killed Jose Orlando Chaves Fajardo, who participated—along with several accomplices—in the Galan murder.

Chaves Fajardo had been identified as the man who on 18 August 1989 covered up the action of terrorists who fired at Galan at the Soacha (Cundinamarca) Square. Chaves was killed along with his brother on 5 August south of Bogota.

He was the main witness in the investigation of the killing of the liberal leader. On 30 September, eight days after he had been detained, Chaves Fajardo received an emergency decree that grants protection to suspects and witnesses of crimes when they efficiently help the investigating judge. On that date, Chaves, 28 years old, obtained his freedom due to his full confession. However, he did not comply with the requirement to frequently report to the judge in charge of the investigation.

The authorities had not reported that three months after he had been released, Chaves Fajardo was the victim of an attack in which he almost got killed. On that occasion, he was attacked by a gunman at the intersection of the 1st May and Boyaca Avenues as he was driving a four-wheel drive vehicle. Chavez, who received eight bullet wounds, was taken to the Hortua Hospital, where he recovered.

Up until that time, Chaves Fajardo had been working as a Bogota Metropolitan Police informer. However, after the attack he refused to continue receiving police protection. He had told a police officer: "If they are going to kill me, I want to die alone."

The police later lost track of him. When the judge summoned Chaves Fajardo to expand his testimony, the police searched for him to no avail at a house in Bosa, where he lived with his common-law wife, and at the house of one of his cousins—the addresses where he said he could be located. The state security organizations even thought he had left the country.

His testimony remained valid and served to incriminate Jaime Eduardo Rocha and Jose Ever Silva. The two men had been in charge of firing at Galan as he was reaching the stage to address a rally prepared by his followers in Soacha. According to Chaves Fajardo's testimony, the crime was ordered by Jose Gonzalo Rodriguez Gacha, aka El Mexicano. He said he took part in the crime because those who hired him offered him a house and a car as payment.

Chaves Fajardo's brother Enrique, killed along with him on Sunday 5 August, had been arrested during the first stage of the investigation. He was later released due to a lack of evidence.

The Chaves' brothers were riddled with bullets in front of a house at the intersection of 64th Street and 61th Avenue. The crime was carried out by two men wearing police uniforms. Neither of the Chavez' brothers was carrying any documents. Their corpses were taken to the coroner, who identified them.

Troops Find Weapons Cache on Escobar Farm

PA1408140790 Bogota Radio Cadena Nacional in Spanish 1200 GMT 9 Aug 90

[Text] Medellin—Elite police troops have discovered a weapons cache containing Soviet-made weapons at a farm owned by Pablo Escobar Gaviria. The farm is located in a rural area of Caceres Municipality in Cauca, Antioquia Department. During the raid the elite troops' assault commandos arrested five people working at La Urbana farm on the Guaru route, on the trunk road to the Atlantic Coast. The police found 20 Soviet-made AK-47 rifles, 15,000 5.56-mm cartridges for AK-47 rifles, 12 rifles, and other war materiel. The police arrested Libardo Antonio Ortiz, 21; Luis Fernando Ause Rodriguez, 21; and Arcesia De Jesus Rodriguez Sepulveda, 48, as well as farmkeepers Ardinero and Wilson de Jesus Mora Blandon.

In addition, the elite troops found documents showing that the farm is registered in the name of Ramiro Campuzano Zapata. They also found a safe-conduct that proves the farm is owned by Pablo Escobar.

FARC Cofounder Dies From Coronary Illness

PA1408190490 Mexico City NOTIMEX in Spanish 1526 GMT 14 Aug 90

[Text] Bogota, 14 Aug (NOTIMEX)—It was announced in Bogota today that Jacobo Arenas, ideologue of the Revolutionary Armed Forces of Colombia (FARC) guerrilla movement, died a few days ago of a coronary illness somewhere in Colombia.

According to a report on the Caracol radio station, Arenas, who cofounded the guerrilla group along with the legendary Manuel Marulanda, died on Friday, 10 August.

The FARC was a part of the Simon Bolivar National Guerrilla Coordinating Board, which also included the

Army of National Liberation, the Quintin Lame Front, the Popular Liberation Army, and the 19 April Movement.

* Dialogue With Paramilitary Groups Urged

90SM0194A Bogota EL TIEMPO in Spanish 6 Jul 90 p 5a

[Editorial by General Alvaro Valencia Tovar in "Clepsidra" section: "Peace and Self-Defense"]

[Text] Peace must be a national issue when dealing with politically-oriented groups. Common crime, whether organized or not, is a different matter and our constitution and legal codes have prescribed how it is to be handled. Any discrimination in this area may be contrary to the objective pursued.

Given the inherent limitations of a newspaper column, "Clepsidra" has endeavored to cover the problem of peasant self-defense groups and their position vis-a-vis the law. The issue is particularly relevant when the members of such groups offer to lay down their arms and demobilize, provided that the government guarantee them due protection so they will not be the victims of guerrilla bands continuing their senseless fight.

Strangely enough, however, the government takes a different attitude toward such groups than it does toward terrorists. The reason behind this dual treatment is perhaps the very lack of clarity that has surrounded the phenomenon of paramilitary groups, given the fact that some of their elements have shifted to drug trafficking or ended up forming criminal alliances with traffickers. However, they have not all let themselves be led down the easiest or most remunerative path. Insofar as it is possible to make out anything amidst the prevailing confusion, many in Magdalena Medio have remained within the law.

If this is so, why then should they be treated with greater inflexibility than that meted out to those who, for a far longer period of time, continued to kidnap and murder members of law enforcement agencies, frequently indulging in such common crimes as stealing livestock, robbing Agrarian Fund banks, looting businesses in towns and villages, attacking unprotected trucks and buses in deserted areas? It would be appropriate to identify who's who in the nebulous area of self-defense groups because it would not be fair that those legally armed by the government and who cooperated with authorities in protecting rural areas subject to guerrilla terror should find fewer channels and encounter a more closed attitude on the part of those same authorities when it comes to reintegration into normal life.

Equal treatment cannot be applied to those who turned into outlaws and those who, even though armed, remained within the law. Having solved certain mass murders such as that of the La Rochela judges and of villagers and peasants in outlying areas of Magdalena Medio, government intelligence services must now define responsibilities and provide the heretofore lacking clarity about who deserves the label of "self-defense" groups, inasmuch as this was their original purpose when created, not only with the knowledge, but the support of the Armed Forces as well.

That punishable crimes going beyond the framework of self-defense did occur, even within groups that did not lapse into common crime, seems likely. The violence that has prevailed in Magdalena Medio for so many years lends itself to anything, but we do have the right to ask, were the guerrillas who rose up against the law and the government, archangels during that same period of time? Can one rightfully extend to them the consideration and indulgence denied to others who, in defense of their lives and the lives of their loved ones or their oft-trampled rights, fought alongside the government?

To forgive and forget has been the philosophy underlying peace processes involving the M-19 and now the EPL [Popular Liberation Party]. It does not seem fair that the same formula should not be applied to those who resorted to violence to fight violence. Forty years of upheaval of our country's rural—and to some extent urban—life have produced a little bit of everything. If, some day or some way, we could ascertain what punishable acts had been committed by those who may have availed themselves of the official peace and who have tried to do so from the opposite side of the struggle, the balance would quite probably tip on the side opposite the guerrilla hordes, and, in this manner, their opponents have probably been guilty of serious crimes. Does any valid reason remain for denying to those less implicated that which at times, out of an excess of generosity, has been lavished on others?

One has to consider that in an effort as considerable as the one expended to put an end to the rebellion, there can be no discrimination in favor or against any one of the factions. Accepting the fact that atrocities have been committed on both sides—inherent in the very nature of such fierce, brutal internal struggles—if one is to forgive and forget, one must do so on all sides or not at all. Acts have been committed that have gone beyond the boundaries of the law, justice, and morals, without the government being able to enforce the authority it embodies, and it now seeks peace, reconciliation, and harmony. But it cannot do so by favoring those who confronted it and by being unusually inflexible with others who, even mistakenly, fought at its side.

* Effect of TV on Election Results Discussed

90SM0194B Bogota SEMANA in Spanish 10 Jul 90 pp 66-75

[Text] The recent presidential elections were the first ones in the country's political history in which the powerful television medium replaced traditional campaign methods, but not precisely as the result of a process in which television gained ground in the rugged arena of national politics. All manner of uncontrolled violence forced candidates to shift from speeches in town squares to the small screen, requiring the government to yield the

medium as a last hope of saving the election process. Of necessity, the country entered the world of televised election politics which prevails in the majority of the countries of the world.

A poll financed by the television broadcasting company RTI and the advertising agency Arte & Cia and conducted by the Public Opinion Consulting Firm measured the impact of this mass medium, present for the first time in the election of our president. While television was used in past election contests, the survey shows how for the first time it was combined with the use of the voting card thus enabling the so-called independent voters to choose based on their preferences. Television laid all options on the table and the voting card made it possible to cast the ballot with no middleman. The vote of opinion was a decisive factor in the recent election contest and it is precisely the most likely to be affected by the direct message of the televised medium.

To the great surprise of many, the election results revealed the entry of two new political forces into national life: the M19, which, some 40 days after it surrendered its arms, won nearly 800,000 votes; and the National Salvation Movement, led by Alvaro Gomez, which practically came out of nowhere to win second place. Cesar Gaviria, who expected to be anointed by a wave similar to that of 11 March, was elected without the projected majority. Did television affect these results?

According to veteran political observers, the so-called "fringe" swayed the election pendulum as never before. The survey done in two phases, from 5 to 7 and from 24 to 27 May, shows a mobility of voting intentions revealing the existence of independent voters from all factions: liberals who voted for Alvaro Gomez (from 4 to 8 percent between the first and second polls) and Navarro (from 2 to 3 percent); conservatives who voted for Gaviria (from 9 to 12 percent), Lloreda (from 2 to 8 percent), and Navarro (from 0 to 9 percent). The party discipline of traditional parties revealed cracks that helped Navarro in particular. The left also turned out to have independent minds among its followers who, while giving all their support to Navarro on 27 March, were willing to deliver 6 percent to Gaviria and 5 percent to Gomez on the first poll. The independents strictly speaking changed voting intentions between the first and second polls, going from 27 to 13 percent for Gaviria, 26 to 51 percent for Gomez, 9 to 10 percent for Lloreda, and 8 to 20 percent for Navarro.

Seen from this angle, a considerable shift took place between 7 and 27 May in voters' decisions. What was the effect of television on this portion of voters who changed their minds when it came time to cast their ballots?

The candidates made use of their television option in three ways: speeches allowed by the government according to schedules drawn by lot; blocks produced by the campaigns and broadcast by Inravision at its discretion during its breaks; and a press conference broadcast live by each candidate to close his campaign. During the survey as a whole, people watched substantial amounts of television. Some 83 percent of those polled saw the speeches, 86 percent the special programs, and an average of 22 percent the press conferences.

While those who said they belonged to the traditional parties tended to see their candidates' speeches, independents and apolitical voters who we believe make up the bulk of the fringe demonstrated fairly equal interest in the speeches of all candidates and, of all those polled, watched the most television.

Although their interest was divided among all the choices, it is interesting to note that independents who saw 44 percent of Gomez' speeches and 34 percent of Navarro's before the first poll saw 72 and 60 percent respectively before the second. At the same time, their voting intentions went from 26 to 51 percent in the case of Alvaro Gomez and from 8 to 20 in that of Navarro. Apolitical voters tended to watch speeches by Gaviria and Gomez more, and when the count came their votes went to these two candidates. The left remained loyal to Navarro's speeches (82 percent) and voted accordingly.

In general, one can deduce from the poll the fact that the two "phenomena" of the elections (Gomez and Navarro) were the ones who made inroads in all political factions and, either because of curiosity connected with the newness of their budding campaigns or specific interests, were, on the whole, those seen the most on television by persons surveyed of all affiliations.

The campaigns put their best creative efforts into television spots in order to get the proper message across in a short amount of time. Inravision broadcast them in spaces between programs. Although Gaviria had slightly more block programming (110) than Gomez (102), Lloreda (97), and Navarro (103), 86 percent of those polled watched advertising by the candidates based on partisan habits. Liberals watched Gaviria, while conservatives saw Gomez, conservative socialists chose Lloreda and the left turned to Navarro. Once again, independents not only watched the most television, but spread themselves out the most among all the candidates: An average of 70 percent turned on the block programs of the four presidential candidates, showing a preference for those of Alvaro Gomez and Antonio Navarro, followed by Lloreda. This preference was established in the way they voted.

However, the number of blocks broadcast did not necessarily imply greater influence on the voters' decisions. The real impact of candidates on Colombian households was determined by when the blocks were broadcast and the quality of the commercials. An analysis of GRP's (total blocks for each candidate times the total ratings of programs during which they were broadcast) shows a considerable superiority of Gaviria (3,483 GRP's) over Alvaro Gomez (2,519) and Lloreda (2,336). Despite the fact that Navarro's block had the narrowest scope with

2,140, it was remembered the best, so the creators of the commercial can claim a minivictory in the 800,000 votes won by their candidate.

Gaviria's commercials reached a considerable audience (an average of 70 percent), but contained the message least remembered. Nevertheless, Gaviria came out ahead with his speeches and press conference as the candidate who did the best on TV.

Lloreda is a special case because, despite his acceptable response on television (62 percent of those polled saw his speeches, 59 percent his commercials, and 15 percent his press conference), his election harvest was not consistent with the interest shown by the television audience. Liberals changed their voting intention for Lloreda from 1 to 0 percent and social conservatives from 61 to 53 percent.

The press conferences did not reach a wide audience, perhaps because of haste preventing sufficient advertising. Nevertheless, once again it was the independents and apolitical voters who filled out the statistical figures of the press conference audiences, with a preference for Alvaro Gomez and Antonio Navarro.

Whatever the case, 50 percent of those polled said they preferred television to town square speeches, 65 percent because it motivates people to vote and 57 percent because they add a serious note to the political campaign. If the government had not granted the time free, this campaign would have cost Gaviria 94,596,000,000 pesos, Gomez 81,019,000,000, Lloreda 76,321,000,000, and Navarro 75,416,000,000 for block programs alone.

Independently of the relationship between the way people watched television and the way they voted, television turned out to be an effective "weapon" for confronting violence for politicians threatened with suspension of the election process. For the first time in history and by crossing party lines, voters had the possibility of seeing all candidates on the same footing, comparing their views, images, and voting without the ghost of the mechanics. Independent voters in particular from all factions took advantage of this fact, fairly observing all candidates and deciding. While many other factors were involved which unquestionably modified voting intentions and the final result at the ballot box (the abstentionist strategy of the lords, political assassinations, and the fear which violence has planted in people), television managed, in its election debut, to put on the carpet such concepts as political plurality, fairness in information, and the practical usefulness of the medium.

Paraguay

Deputies Condemn Iraqi Attack, Demand Withdrawal

PY1508142090 Asuncion ABC COLOR in Spanish 15 Aug 90 p 2

[Text] Yesterday the Chamber of Deputies approved a declaration condemning "current Iraqi international policy, and requesting the withdrawal of its troops from Kuwaiti territory and respect for Kuwaiti sovereignty."

The draft declaration was submitted by Deputy Jose Felix Fernandez Estigarriba of the Authentic Radical Liberal Party and by Sandino Gill Oporto of the Colorado Party. Antonio Salum Flecha and Juan Roque Galeano, who also belong to the Colorado Party, gave the final touches to the declaration.

The declaration condemns the recent Iraqi invasion of Kuwait and the Iraqi decision to annex Kuwait, violating international law.

The declaration, which will be conveyed to the World Parliament, says: "The dramatic events in the Middle East affect world peace, jeopardize international relaxation, and seriously threaten the world economy, especially the economies of developing countries."

The declaration also ratifies "the principle of the self-determination of peoples and rejection of the use of force in international relations."

The document adds: "The UN Security Council approved Resolutions 660, 661, 662 condemning the Iraqi aggression and demanding reestablishment of its borders to where they were before the invasion and a guarantee of Kuwait's independence."

The declaration also says that the Paraguayan foreign policy tradition rejects the right of conquest, and "it should be mentioned that since the last century, Paraguay has supported the formula that 'victory gives no rights' and the 3 August 1932 American doctrine that rejects the annexation of territory by force."

The declaration was unanimously approved by the deputies and responded to the stance of the Chamber of Deputies, which either praises or condemns international events.

Southern Cone Common Market Invitation Received

PY1408231490 Asuncion ABC COLOR in Spanish 12 Aug 90 p 4

[Text] The creation of the "Commarket" is the newest and most recent proposal adopted for the implementation of a regional integration program in the Southern Cone. The establishment of economic blocs to be used as active tools for shared development is becoming a requirement in many parts of the world. As a result, the initiative proposed by Brazil and Argentina, which has now been joined by Uruguay and possibly Chile, proves to be a worthy attempt to tear down obsolete, traditional barriers that have always prevented real integration.

During a recent visit to Brasilia, Foreign Minister Frutos Vaesken received the invitation to Paraguay. Brazilian Foreign Minister Francisco Rezek conveyed the invitation while President Fernando Collor de Mello confirmed it by saying: "This invitation is not the result of

cordiality. It was made because Paraguay has indisputable rights to take part in this common market."

The "Commarket" will be in full operation in 1995. Meanwhile, the Southern Cone countries will develop the mechanisms for trade interchange and economic complementation. In practical terms these mechanisms can be translated into modified tariffs that will allow the products of a country to enter the regional territory without the tariff walls that exist now.

According to Minister Frutos Vaesken, Paraguay will decide how to answer the invitation "after the government consults with the various areas of the national productive sector. We have no deadlines; we can give them our decision this month or at the end of the year."

He added: "Those who are interested in the topic are to decide whether it is convenient to join a large market such as the one being proposed. The topic has many favorable aspects but there are also things and interests that are against a complete opening."

He also said that there are several ways of joining the common market. "We can join by accepting the bilateral agreements already signed by Argentina and Brazil, as Uruguay did; or we can adopt a wait and see attitude, as Chile did. Chile will first observe how the process develops, then decide later whether it is convenient to join this integration initiative."

"The invitation to join the Southern Cone Common Market is a very important issue that cannot be merely brushed off. If we accept the invitation, we will enter a 200-million-buyers regional market, and this can change our economy completely," the minister said.

He explained: "The positive aspect of the proposal is that we will have a vast neighboring market, although this can also be risky for us because thus, our borders will also be opened to free admittance of products manufactured by other countries," he pointed out.

Minister Frutos Vaesken will now begin contacting his regional counterparts to learn more about the functioning of the "Commarket."

He is planning to leave for Buenos Aires on 22 August to meet with Argentine Foreign Minister Domingo Cavallo. Before 15 September, he will meet with his Uruguayan counterpart Hector Gros Espiell in Montevideo, and, sometime later, he will meet with Chilean Foreign Minister Enrique Silva Cimma.

Colorado Party Secretary General Dismissed

PY1408205290 Asuncion ULTIMA HORA in Spanish 11 Aug 90 p 9

[Excerpts] Luis Maria Argana, president of the Colorado Party Executive Board, and Juan Roque Galeano, Colorado Party political secretary, have signed a resolution aimed at "revoking Resolution No. 104 dated 2 July 1990, whereby Amado Enrique Yambay was appointed secretary general of the Colorado Party Executive Board." [passage omitted]

The reasons for such a decision are unknown, considering that Yambay was discharging his duties with dynamism and that he was supported by the Colorado Party precinct presidents. It has been learned, however, that Yambay was reportedly dismissed because of his disagreements with Argana's supporters, among them, Juan Esteche Fanego, Juan Roque Galeano, and others who disapproved of Yambay's closeness to the presidency. [passage omitted]

Fourth Xavante Jet Plane Crashes, Pilot Unhurt

PY1408230890 Asuncion ABC COLOR in Spanish 12 Aug 90 p 26

[Report by Sigfrido Munoz Carman and Lucas Chavez from President Hayes Department]

[Excerpt] The Paraguayan Air Force lost its fourth AT-26 Xavante jet trainer/attack aircraft in the afternoon of 10 August. The plane crashed in President Hayes Department, 85 km from Asuncion.

Two planes of the Air Tactical Group were participating in a jet fighter training program when one of the planes unexpectedly disappeared from the radar screen. The plane had crashed but the pilot managed to escape unhurt, Air Force official sources reported. [passage omitted]

Peru

State of Emergency Declared in Lima Province

PY1508125490 Lima Television Peruana in Spanish 1100 GMT 15 Aug 90

[Text] According to an official communique issued by the Second Military Region, a state of emergency has been declared in Lima Province for 30 days. Individual guarantees pertaining to the inviolability of the home, the right not to be removed from home, free transit, the freedom to meet, and arrests have been suspended.

University Students Protest Economic Measures

PY1408151090 Lima Television Peruana in Spanish 1100 GMT 14 Aug 90

[Excerpt] Students at Federico Villareal University, who are protesting the government's recent economic measures, have occupied the university premises and are causing serious incidents. Members of the police forces are acting energetically to safeguard order.

Students at Federico Villareal University have occupied the university premises on Colmena Avenue and are staging a series of demonstrations. The students have thrown a many stones on this main avenue.

Members of the 34th Police Station have appeared at the site of the incident to control the situation and restore order. [passage omitted]

Car Bomb Explodes Behind Government House

PY1408124090 Madrid EFE in Spanish 0429 GMT 14 Aug 90

[Excerpt] Lima, 13 Aug (EFE)—Police sources have reported that today a car bomb exploded on the street that runs behind Lima's Government House, where Peruvian President Alberto Fujimori's residence is located. There were no casualties.

According to eyewitnesses, the terrorists who carried out the attack intended to run the car bomb with its engine on into the iron fence that surrounds Government House, but the vehicle changed direction and exploded on the street.

The explosion caused serious damage because it destroyed the windows of Government House, neighboring shops, and the main Post Office, which is located on that side street.

After the explosion, police cordoned off the area around Government House, which faces Lima's main plaza; stopped pedestrians from entering the area; and began a search for suspicious persons. [passage omitted]

Terrorist Attacks Kill 6, Wound 11 in 24 Hours

PY1408150090 Madrid EFE in Spanish 0301 GMT 14 Aug 90

[Excerpts] Lima, 13 Aug (EFE)—Today official sources reported that at least six people were murdered and another 11 were wounded in terrorist attacks during the past 24 hours in several Peruvian localities. [passage omitted]

Today in Cuzco, 1,165 km southeast of Lima, 11 people, soldiers and civilians, were seriously wounded when a car bomb exploded in front of an army garrison in the city's downtown area. Cuzco has been declared a "Cultural Heritage of Humanity."

Police sources said three of the people, including a military man, suffered severe wounds and their lives are in danger. The sources also stated that the car bomb was directed at the garrison with its engine running, but exploded before hitting the wall.

During a radio interview, Daniel Estrada, Cuzco's mayor, explained that the incident occurred in front of the 27 November Garrison, approximately 200 meters from the city's main plaza.

Today police reported that three peasants from Azangaro, Puno Department, southeastern Peru, died on 12 August during an attack by a Shining Path group. A police patrol that pursued the terrorists was able to rescue two women who had been taken hostage.

Today in Lima three members of the Guevara-leaning Tupac Amaru Revolutionary Movement (MRTA) entered a radio station. After threatening the employees, they broadcast a announcement against Alberto Fujimori's government and the economic adjustments it implemented on 8 August.

According to a police source, the three people fled after broadcasting their announcement. [passage omitted]

40 Terrorists, 3 Soldiers Die in Confrontations

PY1508141290 Madrid EFE in Spanish 0459 GMT 15 Aug 90

[Excerpt] Lima, 14 Aug (EFE)—Today the Armed Forces Joint Command reported that at least 40 terrorists and three soldiers died in armed confrontations that occurred near the Huallaga River in the Peruvian jungle.

The confrontations occurred over the last few days in Mariscal Caceres Province, San Martin Department, northeast of Lima, when Army patrols were attacked in the Puncacha Ravine by a guerrilla column.

The official communique does not mention the name of the subversive group. The region is considered to be a drug trafficking "red zone," and the Shining Path Maoist group and the Tupac Amaru Revolutionary Movement (MRTA) are active there.

The military communique reports that Captain Pedro Hernandez, Lieutenant Milton Diaz, and Private Anderson Paredes died in the confrontations.

Another two clashes took place in Pizana Port and on an island in the Huallaga River, where the terrorists had their command post.

The Army was able to overcome the subversives, of whom 40 were killed, after a firefight in which automatic weapons and rocket launchers were used. The Army had helicopter support.

The Army units seized explosives, ammunition, medicines, and food, which were found in a warehouse, and destroyed coca maceration pits.

For several years now official sources have charged that drug traffickers and terrorists work together in the Peruvian jungle and that the latter offer protection to the criminals, who pay a fee.

Police have reported that tonight in Lima terrorist groups set six buses on fire, including four that belonged to the state-owned National Urban Transport Enterprise of Peru (Enatruperu) and two belonged to a cooperative.

The buses were set on fire in the poorer neighborhoods of Comas and San Juan de Miraflores.

It has also been reported that terrorists set a factory on fire in Carabayllo District, in the northern part of Lima. [passage omitted)

Confiep Head Views Economic Adjustments

PY1408221890 Lima EXPRESO in Spanish 10 Aug 90 p 11

[Text] Jorge Camet, president of the National Confederation of Private Business (Confiep), has said that the economic adjustment ordered by the government is the result of the disastrous former administration. He said that the social cost will be very high because its consequences will affect all sectors. The main victims, however, will be those from the poorest sector. He said: "In view of this situation, both businessmen and workers should join efforts and submit coherent and effective proposals to help solve in some way the current critical situation."

Commenting on the economic stabilization program being implemented by the ruling Change 90 movement, Camet said: "There are some vacuums that make it appear incomplete, especially because it does not provide figures on the salary increase for the private and public sectors."

He said that the minimum salary could amount to approximately 15 million intis. "But no matter the figures, the government is compelled to immediately announce it," he added.

Camet praised the heroism and courage of Prime Minister Juan Carlos Hurtado, who took the responsibility for the implementation of the stabilization program. This is the first time he heard a prime minister promise to immediately resign his post if such a program were to fail. He is proud of and firm in his actions," [no opening quotation marks as published] Camet pointed out.

He also urged businessmen to moderately increase the price of products. "We should defend the company, which is the source of employment for thousands of Peruvian families," he added.

Concerning foreign aid he said that the first step has been made to obtain it. "The country is making a truly heroic effort and this attitude is important for the international financial community to provide its financial aid," he said.

During the news conference he also said that the business sector was not consulted by the government about the economic measures that were announced. "This was a unilateral decision by the Change 90 government, in which we did not participate," Camet said.

"This does not mean, however, that we will ignore the country's situation. We will closely follow the development of the economic proposals, and we will always be ready to support the poorest sectors." Camet stressed.

Market Activities Gradually Return to Normal

PY1408153290 Lima Television Peruana in Spanish 0100 GMT 14 Aug 90

[Excerpt] Activities in various Lima marketplaces are gradually returning to normal several days after economic measures were implemented by the government.

However, some stores, which are awaiting the announcement of official prices for some products, remain closed. Meanwhile, chicken and beef stands have no buyers due to extremely high prices.

Despite price increases for various products, buyers complain that they still cannot find some staples, such as milk, noodles, and rice, in marketplaces. However, these products can be bought on the streets. [passage omitted]

UN Secretary General Arrives for 2-Day Visit

PY1508143890 Lima Television Peruana in Spanish 0100 GMT 15 Aug 90

[Excerpts] Our countryman, UN Secretary General Javier Perez de Cuellar, arrived in Lima today for a two-day visit. He was welcomed in the Eighth Air Group section of the international airport by President Alberto Fujimori, high government officials, representatives of international organizations, church leaders, military chiefs, and a large crowd.

[Begin recording] [Reporter] In a few more minutes Perez de Cuellar will meet with President Fujimori to talk about international aid for our country to solve the drought problem and finance the social compensation program. [passage omitted]

[Perez de Cuellar] I hope the Peruvian people will begin this new stage with courage and determination, which I am sure will lead us to a better life.

[Reporter] Are you bringing any concrete proposals to the country?

[Perez de Cuellar] I am here full of goodwill, but I first have to coordinate with the president and officials on how we can continue an effort that has already begun to help Peru resolve its problems.

[Reporter] Can Peru emerge from this crisis?

[Perez de Cuellar] Peru has to emerge from this crisis. It can and it must.

[Reporter] Perez de Cuellar just made a brief comment to the press saying that Peru must emerge from the crisis for the benefit of the people. [end recording]

* Health Sector Strike Resolved

* Ministry Services Restored

90SM0196A Lima EL COMERCIO in Spanish 4 Jul 90 p A1

[Text] After a strike lasting 70 days, Ministry of Health workers have finally agreed to go back to work today, signing an agreement with ministry officials to end their action.

Labor leaders said that work will begin today to disinfect and clean facilities and then begin the admission of patients.

They also said that workers in the provinces, many of whom came to Lima to express their demands, would have 48 hours to return to their jobs.

The agreement includes payment of a permanent allowance of 2.5 million intis, counted toward retirement and effective in August, an allowance of 600,000 intis a month starting in June, and inclusion of that sum effective in October 1989.

The Ministry of Health will also grant a loan equivalent to deductions made in June from the wages of workers who observed the strike, the amount of which will be 800,000 intis.

The ministry said the workers had authorized a single deduction equivalent to 20 percent of their basic wage this month to compensate for damage and harm done during the work stoppage. In addition, they will work an additional hour for 10 days and have pledged not to affect national immunization days by strikes.

* Social Security Workers Back

90SM0196B Lima EXPRESO in Spanish 9 Jul 90 p 13

[Text] The 12,000 workers belonging to the Federated Workers Center of the Peruvian Institute of Social Security (CFT-IPSS) have agreed to suspend their general strike and return to their jobs en masse today. This measure will finally completely normalize activities at the institution after a 35-day strike.

The workers in question staged the strike when the dialogue was resumed with institution president Alejandro Ubillus Carrasco, who in turn pledged to resolve problems awaiting solution.

This information was made public yesterday by CFT-IPSS organizational secretary Manuel Figueroa Moncada, who also announced the mass return of workers to their jobs.

He said the dialogue with Dr. Ubillus would continue today in order to arrive at an agreement on the schedule for payment of back wages and debts, implementation of recommendations from the Bipartite Technical Commission, and other matters.

Moralization

CFT-IPSS deputy general secretary Ruth Ponce de la Meza announced that a document had been submitted asking officials of the new Cambio 90 government "to remove all occupants of the so-called 'posts of trust' as well as the initiation of a real moralization of the Social Security Institute.["]

"The new officials in power spoke of change and moralization during their campaign. That is what the Peruvian Social Security Institute desperately needs," she added.

Venezuela

Perez News Conference Focuses on Oil Situation

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[News conference by President Carlos Andres Perez with local and foreign reporters and an unidentified moderator at the Miraflores Palace in Caracas—live]

[Text] [Moderator] Dear colleagues, Mr. President, Mr. Minister, Mr. President of PDVSA [Petroleos de Venezuela, S. A.], and my colleague the director of OCI [Central Information Office]. We will begin this news conference with some introductory words by the president.

[Perez] Gentlemen journalists, thanks for honoring my invitation to this news conference. I am particularly interested in explaining to the national community the steps our government has taken regarding the world crisis provoked by the Iraqi invasion of Kuwait. This crisis affects Venezuela as an oil exporting country and as an OPEC member country.

We have very little to say or explain about our behavior. The OPEC Charter and our membership in the same has been one of the best strategies achieved by Venezuelan democracy. This event is linked to the birth of democracy after the last dictatorship was overthrown in our country. All of the Venezuelan governments—ruled by one party or another, either in coalition or by themselves—have behaved in a way that honors Venezuela by the consistency and intelligence that they have used. We have experienced great difficulties, such as the Arab countries' blockade against the West, Europe, and the United States. Confronted with such a significant event, Venezuela did not hesitate in keeping the oil flowing to its customers, particularly the United States, and succeeded in overcoming the problem without any special difficulties in OPEC.

We are now facing a new difficulty. Venezuela has behaved in line with its international commitments, the democratic principles that uphold our democracy, the principle of nonintervention, and the principle of respecting the sovereignty of the other countries. That is why our stance in the United Nations and in the international community was to back those who condemned the invasion of Kuwait. Because of our principles and

because we, the weak and small countries, cannot just stand by and see the sovereignty of another country violated only because the violator is stronger, has better armaments, or for any other reason.

Our great security lies in the validity of international law, self-determination, and nonintervention principles rather than in weapons, dignity, or our people's willingness to fight. In addition, we were glad that in the Arab League meeting in Egypt that this was also the position assumed by most of the countries directly affected by the Iraq-Kuwait conflict.

Finally, we have also the fresh experience of the early 1980's, when the OPEC member countries, including Venezuela, fell into the trap of speculating on the oil prices because of the Iran-Iraq war. We saw what happened. Prices skyrocketed in an unusual manner, creating international recession, raising the prices of raw materials and of all the products that our countries purchased. The oil-producing countries to some extent enjoyed the price increase. And to some extent we did not because a world recession occurred and the prices of manufactured products that we were purchasing increased. And then came the violent drop in oil prices, which contributed so much to aggravating the crisis that our country is experiencing.

All of the OPEC member countries learned the lesson. Since the crisis began, I have kept in touch with the heads of state of the OPEC member countries through telegrams or cable dispatches. Our minister of energy and mines has been in daily contact with the OPEC president and secretary and the majority of the oil ministers of the OPEC member countries. We have found in each of them the same sense of balance—a position similar to that of Venezuela—and the same sense of cooperation between our countries. Finally, in view of the significance of the problems encountered and Venezuela's need to contribute to OPEC's unity, I decided to send Minister Figueredo to the Middle East. After all, this is not a profit seeking corporation that will or will not do something because it is or is not profitable. It follows principles and guidelines that all of the democratic governments of Venezuela have upheld. Minister Figueredo has held very important meetings. The king of Saudi Arabia, His Majesty Fahd, and Venezuela have agreed on the need for a meeting of the OPEC member countries to be held as soon as possible. We need to study the situation and the advisability, if need be, of increasing oil production because the inventories of great oil-consuming nations could be decreased dangerously and these nations would then require the missing oil quota from Iraq and Kuwait, the countries involved in this conflict.

Simultaneously, Saudi Arabia, Venezuela, and the other countries have agreed to prevent both skyrocketing oil prices due to speculation, and the consequences experienced in the early 1980's. It is this effort we are now making. We hope to have a decision on the matter by the end of the week. I have also kept in touch with U.S. President George Bush, who, I am glad to say, has expressed his satisfaction over Venezuela's stance regarding both the conflict and the need to keep the oil prices at such a level that no speculation occurs. I have also talked with Mexican President Carlos Salinas de Gortari. The Venezuelan minister of energy and mines talked with the Ecuadoran minister of natural resources and energy. I have yet to talk with Ecuadoran President Rodrigo Borja because Ecuador is also an OPEC member country. In addition, I have sent messages to all heads of state of the OPEC member countries. Summing up, there is consensus and harmony and cooperative work is being done.

Venezuela is doing its share. Although it has been reported that we have lost money, Venezuela has not been harmed in the least. Had we been speculators or irresponsible, or had we not taken into consideration Venezuela's future, maybe we would have plunged into the spot sales market, led the market to disaster, and sunk the country. No. Venezuela sells the largest portion of its oil products at market prices. We have been selling crude oil in the proportion assigned to us by OPEC regulations. Prices have risen considerably, but not excessively because this is convenient and advisable. Fortunately, this is the main point on which the oil exporting countries have agreed. Once again, these countries appear as a very useful instrument in handling mankind's fundamental energy resource. Today, not only the producing countries are interested in keeping OPEC's unity. The great consuming countries are observing that, thanks to the discipline assumed by OPEC, the balance of prices has been maintained.

I wanted to make this introductory statement to bring calm to all sectors of the community. Had there been any need to adopt measures that differ from the traditional Venezuelan strategic position, I would have immediately consulted various sectors in the country before adopting such measures because that is the advisable and the responsible attitude that should be assumed by the Venezuelan chief of state in any critical circumstance.

Given this situation, I prefer to maintain this position, observe the market, the international political situation, send the foreign minister to the region, and keep in close touch with chiefs of state. Now that we have a clear picture, that our policy has been confirmed, and that there is no need to make changes, I have invited representatives from political parties, from the Confederation of Venezuelan Workers, and from the Venezuelan Federation of Associations and Chambers of Commerce and Industry to brief you on the situation. I want to explain the calm, peaceful, responsible, and successful manner in which we have been handling the oil situation.

I will now give the floor to the journalists.

[Moderator] After the introductory statement by the president, we will begin the round of eight questions. I hereby invite Coromoto Alvarez from ULTIMAS NOTICIAS to ask the first question.

[Alvarez] Mr. President, what could the international results be from THE NEW YORK TIMES report on an alleged coup d'etat in Venezuela. A prominent journalist and correspondent warned about the coup. Perhaps he was surprised because in Venzuela, on the same day, the defense minister was removed from his post along with 142 army officers who were discharged.

As for your statement on the oil issue, although you have described in full Venezuelan actions, politicians like [Arturo] Uslar Pietri, Calderon Berti, and so forth, are suggesting that Venezuela should be more confident when searching for new markets. Venezuela has been asking the United States for preferential treatment since the time of President Johnson—when mandatory restrictions were imposed—but there has never been an answer. However, it seems the United States is adopting an opportunistic position, now that it requires help from Venezuela more than ever. In sum, what will your government do in this regard?

[Perez] Freedom of expression, which we appreciate so much, allows this kind of reporting, like the story in THE NEW YORK TIMES. We do not place any importance in the article and we are downplaying the importance of a serious newspaper which, although it is respectable, can make mistakes. The newsman has placed the proper emphasis where it belongs. The report is based on the fact that the defense minister was changed and over 100 officers were discharged. This event takes place every year in Venezuela. Either the newsman lacked imagination or he was returning from the moon and ignored the traditional procedure in Venezuela. Every year, upon completing 30 years of active duty, Venezuelan Army officers retire. We saw no need for any explanation because this is obvious.

However, we do regret that a newspaper interested in democracy and in the development of democracy in Latin America, a newspaper that has provided so many services to Venezuelans during times of crisis, is trying to make us return to our past and think of old solutions that no longer exist—in other words, a coup d'etat as a means of solving problems. No, there must not be any psychological complexes about Latin America. We have the same capacity as European or North American countries to live in democracy. It is false, it is a lie to say that we like and want violence. We will solve problems in Venezuela through democratic procedures and methods. I clearly want to say that I do not think the report has any ill intentions. It was speculation, which happens so often. Journalists sometimes are mischievous.

As for speculation on OPEC and the Venezuelan policy, I can tell you that every time there has been a crisis of this nature, the same positions are voiced: That we should get out of OPEC, that Venezuela is an OPEC servant, that Arab countries are winning and Venezuela is losing, and that Venezuela sacrifices markets and quotas.

It is good to have this debate or controversy. It does not make some Venezuelans better than the rest. It is just that different opinions are expressed. The responsibility of the government or the president is to sustain the policy deemed right and the one that is yielding the most benefits to Venezuela. In fact, not long ago, voices like those said that we had reached a post-oil era. You must remember that: post-oil! They said: Petroleum is no longer good. Petroleum will never recover its value. Someone came up with this phrase: Now, we have a sellers' market. The buyers' market does not exist because there is an oil glut.

We said: Not true. Some asked: Why remain in OPEC? OPEC generates this mad competition because we cannot sell oil. OPEC will be a burden for Venezuela. The Venezuelan Government at that time adhered to its stance and remained in OPEC. There is no such thing as a post-oil era. Petroleum remains a fundamental factor. It constitutes the fundamental factor of the world economy as far as energy is concerned. Now, oil is returning to the position that it held in the past, and will remain that way for many decades, perhaps for over one hundred years. OPEC has been a fundamental factor in keeping the oil industry at this level.

How much did oil sell for before OPEC? How much did oil sell for before OPEC took over the responsibility of setting oil prices? Those voices are making totally superficial predictions. However, it is good to hear those views because they give way to debate and controversy, and maintain the country's interest in the oil problem. I do not feel like a winner telling his adversaries: You were wrong. No! It is good to have different views. However, it is good for the country to see how right we have been throughout our 30 years of democracy in handling the Venezuelan oil process.

As for the United States, there is no doubt the United States is our first customer and will continue to be. We must also understand that we have, if this can be called as such, a hemispheric commitment because, being the principal petroleum producer of this hemisphere, we must supply the needs of the hemisphere. Within this hemisphere the main consumer is the United States, and we have the obligation to meet this commitment. But, at the same time, as the newsman who posed the question said, the United States should also respond to that Venezuelan commitment with cooperation. In that context, on my recent trip to Washington, while talking with President Bush, we outlined for him an idea that goes beyond the concept of the strategic oil reserve that the United States seeks to maintain, reserves from which it is now meeting its consumption needs [as heard] despite the lack of supplies from Iraq and Kuwait.

The strategic reserves solve the oil problem only temporarily. Without another source of oil, and if this crisis continues, the United States would be suffering a dramatic shortage of fuel in three or four months. In the face of this situation, we submitted to the U.S. Government yet another concept of the strategic reserves. We mean

strategic potential. It does no good to have a certain amount of oil stored in wells because that will run out. The important thing is for the hemisphere to have in its soil, mines, and natural oil deposits, sufficient amounts that can be exploited at any given time to supply any emergency. As it has been correctly said, Venezuela is unable to increase production over 500,000 barrels a day. I do not mean for an indefinite period. At any rate, extracting the maximum it can produce, according to reports by experts, entails technical damage in the exploitation system or decreased production in the oil wells. However, Venezuela would have the capacity to extract an additional 500,000 barrels of oil during this emergency, but this is not good. Venezuela's production capacity should be much higher than the amount it sells at any given time. Right now, Venezuela should be able to produce 3.5 million barrels a day. We are headed toward that goal.

When we nationalized petroleum we set out to produce 2.8 million barrels a day. Unfortunately, we were lax in reaching that goal, although I believe we have reached our goal of producing 2.8 million barrels a day.

Now, we have to achieve the goal of 4 million barrels, but this costs money. Venezuela must seek financing to achieve this oil production goal. We have told this to the United States because it is for the common interest of the hemisphere to have the capacity as strategic potential that can allow us to face any situation. We have conveyed this to President Bush and during my visit to Bogota for the swearing-in ceremony of President Cesar Gaviria, Vice President Quayle and I held a luncheon meeting. We discussed the oil issue. At that time we again explained the concept of strategic potential and reminded the U.S. Government that we must agree on this issue. Now that we are viewing the world situation, we realize more clearly that Venezuela must have the potential of being able to achieve its goal of increasing its oil production by at least an additional 1 million barrels.

[Moderator] Oscar Madrid from Italian news agency ANSA. Please come close to the microphone.

[Madrid] Mr. President, you said you held talks with your U.S. colleague George Bush regarding the Persian Gulf crisis. Could you tell us if you promised to supply an additional quota outside the OPEC? The Middle East crisis has adversely affected the weak Latin American economies. Brazil, an associate of Iraq, is being adversely affected by this. Panama has expressed its concern as have other Caribbean countries because of the oil situation. In the framework of the San Jose Pact, will your government be willing to help out these neighboring Third World countries?

[Perez] Not outside OPEC, and fortunately, this is not a hypothesis that we should have to discuss now inasmuch as there is an agreement among the OPEC members. OPEC has the capacity to increase production in a coordinated manner in the event that it becomes necessary. Up to now it has not been necessary because the countries suffering losses because their suppliers are not sending products have inventories that allow them to deal with this situation. We will stay within the OPEC quota.

We have the most cordial and permanent relations with President Bush and I must tell you that President Bush has publicly told me that he is pleased about the serious position assumed by Venezuela in this crisis regarding the oil issue and the world crisis. Yesterday I spoke to President Carlos Salinas de Gortari, and we both agreed that the San Jose Pact is a commitment that is an honor for Latin America and it will be maintained. There are no reasons to suspend it.

[Moderator] Freddy Torres from EL NACIONAL.

[Torres] Good evening, Mr. President. Ever since you came up with that famous phrase that there will be no more crimes without criminals, there have been several rulings on arrest warrants. However, up to now we have seen that people are crossing borders, and police checkpoints have not been effective. What will your government do to prevent these type of situations?

[Perez] I wish I could say that someday there will be no more criminals. We would be in a perfect country—which does not exist on earth—and I would have absolute power. It means that I would have control over the executive, legislative, and judicial branches so as to coordinate all of these operations. I said that the situation we are experiencing in our countries is serious because there are crimes without criminals. This is a reality we are facing and we must be concerned about it. We have to seek ways to correct it gradually. Without doubt, one of the things that concerns the nation as a whole—even though I do not agree with that saying about the evil of many—is the increase of crime. It would be foolish for me to try to protect our prestige by saying that there are fewer crimes today than yesterday. Unfortunately this is not the case. The economic crisis in our countries and the increase of poverty caused by the economic crisis, has unfortunately led to an increase in crimes. A few days ago, on 10 August, I held a meeting with all police corps in the country and with representatives of the Armed Forces.

We specifically analyzed the crime issue, my concern over this situation, and the means of increasing preventive measures to decrease the crime rate in Venezuela to a less alarming rate. To say otherwise would be to hide the truth. We are, in fact, implementing measures that will contribute to alleviating the criminal situation. Naturally, the most important issue is that we struggle hard to eliminate poverty, which is the incubator of crime in our country. Fortunately, we are also making progress in that respect.

Now, the problem brought up by the newsman is somewhat different. It refers to Venezuelans with arrest warrants fleeing from the country. Unfortunately, these are situations that are difficult to control in a country with practically no borders. It is very easy to leave the

country through any point of Venezuela. This is a problem that all countries of the world face. INTERPOL [International Criminal Police Organization] receives thousands upon thousands of messages from all over the world reporting on fugitives at large, who have left their countries and are being sought.

That also has a solution in due time. Venezuela has extradition treaties with many countries, and when the judges have studied the case and issued rulings, then there is the possibility of extradition. At any rate, a person fleeing from justice is already paying for his crime in part, as he cannot live in his country. The important fact is that the crime must be investigated and cannot go unpunished. He who commits a crime must realize he must pay for that crime. That is important. Justice is not vengeance, but rather a precautionary action of the state and of society to prevent a criminal from acting with impunity and harming many people.

Therefore, to the degree possible, we must prevent those under arrest warrants from leaving the country and mocking justice. If they do so, justice has other international resources. The important thing is that justice be done and the criminals be found and sentenced.

[Moderator] Maria Eugenia Palacios, of Radio Vision, now has the floor.

[Palacios] Good evening, Mr. President. You have always been known for your charisma and optimism. As a result of the very serious situation prevailing in the Persian Gulf, Venezuela is undoubtedly interested in world peace. However, Venezuela has a commitment and a need to increase the prices of petroleum. We have observed some pessimism in that area.

Another question, Mr. President, is that Venezuelans are alarmed over the very high number of people being killed recently. Approximately 40 people were murdered over the weekend. Recently, you met with Interior Minister Dr. Alejandro Izaguirre and the high-ranking police chiefs of the Judicial Technical Police, Directorate of Intelligence and Prevention Services, and so forth, and they are all coordinating a plan to attack this situation at a national level.

However, Mr. President, this is not just a matter of coordination. This is an emergency, and the police forces must go out in the streets and carry out operations since the situation is grave. That is all, Mr. President.

[Perez] In the first place, I would tell this journalist that I am not being pessimistic. What I am doing is presenting a picture of what the country wants: Sensible and wise actions. As you say, we must be concerned, first of all about world peace. However, as for the petroleum issue, the worst thing we could do is to repeat the experience of the 1980's, and think that speculation is what we need.

No. OPEC today restricts us the way it does because of the confrontation that previously existed between OPEC and the industrialized countries. Today, we are interested in prices that are satisfactory for both producers and consumers. We already know that if prices rise violently, this will result in the industrialized countries adopting fuel conservation policies, and in addition, using petroleum substitutes.

Experience has already cost us dearly, and we should not commit the same mistake of engaging in that bad practice of speculating with petroleum prices. Petroleum prices are rising, and they will not drop. The oil glut is over. The supply and demand are well adjusted and this helps in two ways: to maintain prices at a relatively satisfactory level, and at the same time to prevent price speculation.

Fifteen days ago OPEC established the price of petroleum at $21. That is the ceiling we must maintain. However, the price has risen somewhat over $21. However, that is the ceiling that has been established, and it is satisfactory for us—the producer countries—and also satisfactory for the industrialized countries—the consumer countries.

Therefore, we are not pessimistic but rather satisfied because we have achieved this balance with OPEC. We would never be happy if an oil catastrophe occurred and we could set the price of petroleum at $30 or $40. In addition, I have just heard a statement by Jamaican Prime Minister Manley addressing his fellow countrymen and asking them to economize fuel in the name of the Lord, because their oil costs are increasing too much. Then, there are other developed countries who do not have oil. If oil prices go up, these countries will suffer a great deal. I do not think these should be the policies of a democratic country with a high sense of human compassion.

Therefore, we are on the right track. Nonetheless, these increases in prices represent great sacrifices for developing countries because unfortunately we live in an unjust world. While the price of oil goes up, the prices of raw materials that our countries produce, such as rice, coffee, corn, and other agricultural products, have gone down. To buy a barrel of oil, those countries need to sell more corn or sugar. In sum, we have to think about compensation within a system of international justice.

We are pleased to have higher oil prices. However, we cannot be selfish and we should realize that, in the long run, what is bad for others will also harm us. We would soon have, together with higher oil prices, higher interests rates in the world, which will adversely affect our foreign debt problem. Second, we would see the prices of imported manufactured and capital goods go up. Third, we could see a world recession that will gradually reduce our exporting possibilities, including the possibility of exporting oil to the industrialized nations.

We have to realize that the common well-being is also the well-being for Venezuela.

I already addressed the crime problem. It is not true that 40 people were killed over the weekend. You will have to excuse me, Mr. Journalist. There are some problems...[changes thought] We have other problems we should tackle. In order to do this, I have a meeting scheduled in the upcoming weeks, a very serious meeting which will impact on the entire country. I am referring to the drug problem. Usually, when a crime is committed, the drug problem is also present. We are letting this human tragedy pass us by. It particularly affects Latin American countries in the Andean region such as Bolivia, Peru, Ecuador, Colombia, and Venezuela. In these countries, drugs have become one of the greatest threats and most abominable crimes.

We do not see what is happening so we do not know to what extent the drug problem is affecting us, especially after Colombia declared war on drug trafficking. I am going to implement a very active drug campaign. In keeping with this, I have decided to give the drug commissioner, who regulates this matter, the title of state minister because we should give the drug struggle the importance it deserves. This has great significance in the struggle against this crime. We do not have the number of victims you mentioned, but we have some drug-related crimes.

[Moderator] Alberto Barnica, correspondent of the U.S. news agency UPI, has the floor.

[Barnica] Mr. President, at the beginning of this news conference you said that you will promote a meeting of OPEC members. My question is, when will this meeting take place? Where? Will this be a presidential or a ministerial meeting?

[Perez] We had plans, which now have been regretfully interrupted, to hold an OPEC summit. Now, we do not know how long this meeting be postponed. What we are trying to do now—an initiative jointly promoted by Venezuela and Saudi Arabia—is to hold a meeting of oil ministers of OPEC. We hope this meeting will take place soon. This is being discussed now so we cannot set a date for the summit or even a definite agreement. However, there are great chances of holding a summit. We believe, along with Saudi Arabia and other OPEC members, that the sooner this meeting is held the better, because we have to analyze the oil market situation.

[Moderator] Colleague Omar Gonzalo Perez of EL CARABOBENO newspaper has the floor.

[Omar Perez] Mr. President, we would like to know your opinion on three very important issues. Experts believe that the industrial reconversion cannot be postponed, but they also point out that it has a high social cost because of the unemployment it entails. Meanwhile, [Coordination and Planning] Minister Miguel Rodriguez yesterday referred to the possibility of making changes in the public sector that will consist of reducing the public sector, but increasing wages paid to workers. This implies that we would also experience unemployment. Lastly, what about the statements made over the weekend by Pedro Pablo Aguilar, who said that hunger may become a structural problem in Venezuela, and the statements made yesterday after the meeting of the economic cabinet by Labor Minister [German Lairet], who said that the devaluation and inflation would entail hunger.

[Perez] Let us respond to our friend of the newspaper EL CARABOBENO. It is apparently so, but not true that reconversion leads to unemployment. In fact, one of the reasons why we hastened to create the forced unemployment insurance was because of the problem of reconversion. But this does not mean that reconversion is producing unemployment. The transformation of enterprises, simply brings about a change of workers. Provisionally some workers have to leave an enterprise and be replaced by others or be trained to return to the enterprise. Thus reconversion brings employment. Reconversion brings new factories. Reconversion brings more job opportunities. Initially there is a point where undoubtedly jobs are lost. That is why the forced unemployment insurance was created. Reconversion will increase the job opportunities in the country. Otherwise we would really be lost. Therefore, it is a short-term phenomenon. It would be transformed into a permanent phenomenon only if we agreed that reconversion leads to unemployment. No, reconversion is a guarantee of jobs for the Venezuelan workers. Furthermore, that is why we are also modifying the National Institute of Cooperative Education [INCE]. We not only created the forced unemployment insurance, but are in the process of transforming the INCE, so that it will be capable of quickly producing the workers and the operators that are required by the reconversion process. Whoever leaves an enterprise at a given moment, before his severance pay ends or before the weeks of unemployment are up, will have obtained another job that will improve or update his skills. Undoubtedly, it is a national goal, clamored for by the people, and seriously offered by the government. The size of the public sector must be reduced, and public sector wages must be improved. The quality of public services must be improved. That is a slow process however. If only this process functioned and the other one remained static—the economic growth process—then it would really be a calamity, because the workers who leave the public sector would not have any way of finding a job. We are seeing an economic growth process in which there would be a transfer of workers from one sector to another. Also, this will not occur in a violent manner, but gradually. This is part of the adjustment and the modernization of the Venezuelan state.

As for the problem of hunger, of course, that is a problem we are confronting. We are carrying out these difficult economic adjustments. They are very difficult and dangerous. I have told high-ranking government officials and friends of Latin America as well as officials of developed U.S. and European countries that the Marxist-Leninist economy liquidated the communist countries and that it would be very dangerous if adjustments liquidate democracy in Latin America. I told them that

we have to combine the necessity of adjustments and transformations in our economy with an aggressive social policy. In the meantime, those adjustments will provide the short- and medium-term benefits which can temper the immediate damage caused by the policy of transforming our artificial economy into a sincere and real economy. That is the reason for all the measures we have been taking in Venezuela. The food scholarship, as you know, encompasses hundreds of thousands of low income or abandoned families. To the food scholarship we have added a transportation bonus, which covers school children and workers and signifies a wage increase to defend their right to transportation. The unemployment insurance also covers abandoned sectors that would have suffered in misery from total unemployment if they had not had this resource. Other measures have been taken, such as the bread program and the program to nourish minors. These are rapidly encompassing the country, providing milk and other foodstuffs for minors. Tens of thousands of child care centers have been created to help the children of mothers who have to work. In short, there are a number of social programs which are providing fundamental protection to the neediest sectors of the country, while these adjustments produce the benefits to increase employment and the welfare of all Venezuelans.

So this problem must remain at the center of our attention. We must constantly act to prevent it, unlike other Latin American countries, where this problem unfortunately is increasing and truly dramatic situations are being encountered. Venezuela, fortunately, has not reached and will not reach such a situation. We will gradually overcome the situations we are facing today. Of course, one of the things we have in check is devaluation and inflation. If these two phenomena, which go hand in hand, continue in this country, we would be in a bad way. This is precisely what many people fail to understand. They keep saying: How long will the president keep demanding sacrifices? How long will the prices keep rising? How long before the problem of unemployment is resolved? And they are right. But if we had not taken the measures that we did, if we had not been firm enough, if we had surrendered to those facts that fill us with anxiety, such as those troubling so many families, we would not be enjoying our present condition. We would be like Peru, Brazil, or Argentina. I am not saying this with satisfaction but with grief and concern over these peoples who are now able to resolve their problems but at a greater cost. Look at what is happening in Peru, where adjustment measures are being taken that I am sure the Venezuelan people could not cope with. Yet that country has been forced to take those strict measures.

We, fortunately, acted immediately—as soon as I was sworn in as president. We have already averted the danger of hyperinflation that threatened Venezuela. Now we must work hard to calm the people, to make them realize that these sacrifices were unavoidable, that the result of this policy cannot be observed overnight, and that at the same time we are taking compensatory measures that will alleviate the situations we are encountering. Very soon, in September, we will distribute uniforms and school materials to more than two million children. This is another program we are implementing. Very soon, in October, in addition to the food allowance, we also will create the milk allowance for mothers with children less than six years old. So we have not overlooked the country's social problems. We have been resolving them to the extent we have been able.

[Moderator] William Echeverria of Venevision Canal 4 can now ask his question.

[Echeverria] Mr. President, there have been demonstrations in several parts of the country against the public transportation fares. There has been some disagreement between what the executive, through the MTC [Ministry of Transport and Communications] has said and what the municipal councils have said in each of the departments. This has caused protests. Regarding the world situation, I would like to go back to the topic later. The United States and the Soviet Union have established new relations. Mention has been made of a common market formed by the United States, Canada, and Mexico. Iraq has annexed Kuwait. All of this will introduce an imbalance in the world's geopolitics and decisionmaking, even moreso now that the Iraqi foreign minister has warned that if the oil production, in this case of OPEC, is increased, a high price would be paid in the future. What do you think about this?

[Perez] Well, it is not the government that increased the fares. The National Transport Committee, in which all of the sectors involved in transport are represented, did it. The trade unions, the drivers, etc., decided that the catastrophe, listen carefully, the catastrophe, that the transportation sector is undergoing in Venezuela exists because every entrepreneur who establishes a route is ruined because the fares fail to compensate the costs. All of the citizens have seen this. All of those who are listening to me know how difficult it is to obtain a vehicle and the problems encountered today.

The only solution was to heed this appeal and increase the price of transportation to a level that may encourage businessmen to establish transportation companies. Look at this, transportation prices did not go up alone. We established a 20 percent subsidy on the purchase of new buses. Alongside the hike in the transportation fare, the government is offering a subsidy totalling 20 percent of the value of the new buses. That is the only way we can rescue the indispensable right of Venezuelans to have transportation, chiefly for workers and young people going to school or the university. That is why fares went up. However, bus owners are not happy with the increase, they feel it does not compensate the price of the buses and spare parts, and that the bus does not pay for itself in the time it is running.

Riders are not happy either, although the people who basically ride the buses, namely, workers and students, have a subsidy or transportation bonus. For people who

go to work, transportation fares have not gone up because they receive a transportation bonus to cover that. However, the fare hikes were unavoidable, or else Venezuela would be left without transportation. Unfortunatly, these are the kinds of situations we inherited. Looking back over the years, we can see how the country's mass transit and the quality of the buses has decreased because we made the mistake of keeping transportation fares below costs. This is how things are and, fortunately, the people understand it.

Since mayors are not directly responsible for this matter, some of them have made a mistake that can be characterized as lacking maturity or understanding. We have mayors in the country for the first time, and mayors are human beings who are popular and liked by their communities. At any given time, they may be forced to accept measures which in one way or another worsen the situation of the people living within their jurisdictions. So, their attitude is understandable. Those mayors then feel they must show their disapproval of the new transportation fares. If they had a talk with any bus owner and discussed figures they would realize the alternatives are either to increase bus fares or to do away with mass transit. It is clear that prices are not in line with the costs of maintaining buses. That is what is causing that situation. Fortunately, the people understood it.

As for the problem we already talked about ... [changes thought] The Kuwait problem is serious. The world and the United Nations cannot accept the elimination of one country because another country has annexed it. That would break the geopolitical balance of the world, and above all, because we, the small, weak countries stand to lose more. Many countries are waiting on claims that are being sought on behalf of other countries. This would provoke chaos in the world. That is why the United Nations unanimously agreed to reject Iraq's annexation of Kuwait. Fortunately, this will not harm the world detente process. None of the great powers support this regional conflict—it is just the result of a regrettable circumstance. Naturally, we are concerned and worried. Yesterday, I talked to the Iraqi ambassador who wanted to meet with me. I received him cordially, due to the friendship Venezuela has had with that country, an OPEC country, and due to the personal relationship I have had with President Saddam Husayn. I told him how concerned we were about having to assume such a stand, but that we had no other choice because we are defending basic values of mankind.

We do not want to supply oil that either Iraq or Kuwait should be supplying. However, given this emergency, as a member of OPEC we are obliged to supply the oil that other nations need. At this time, we could not refuse to supply oil to the United States, Brazil, or to Caribbean countries. We have to fulfill that duty, even if it hurts us. We hope the situation in Iraq and Kuwait will return to normal soon, so that the situation in OPEC returns to normal. This is what we would like to happen, but this is not what is happening at this time. However, it is very significant that for the first time the Soviet Union and the United States have voted at the UN Security Council in favor of the same proposal when facing a regional conflict. This tells us we are getting away from the dramatic and fateful East-West conflict, and that this path will not be interrupted.

[Moderator] Collegue Pepe Bujanda from the Spanish news agency EFE will pose the last question of this news conference.

[Bujanda] Mr. President, regarding the negotiations of the foreign debt, we would like to know what reply your government expects, given that this week the international banking community should have replied to the options on the payment of the foreign debt. And I would also like to know if there is a negotiating clause with regard to the foreign debt which forces the Government of Venezuela to turn over to the committee of creditor banks the excess income produced from oil exports due to special circumstances, like the current ones.

[Perez] No, for heaven's sake! Venezuela would have never accepted a clause of this nature, nor has this clause been proposed to us. Fortunately, when this Iraqi crisis came we already had agreed on the list of conditions for the renegotiation of the foreign debt with the acceptance of the options on the part of the creditor nations. In addition and fortunately, these options are quite well balanced so that under any circusmtances there is always a benefit for Venezuela.

But, we must be sincere. Undoubtely, this improvement in the price of oil will bring about some changes in the options which the banks offer us, and in a certain way, this will limit the benefits that the renegotiation of the foreign debt will have for Venezuela. These are the unavoidable circumstances. Nevertheless, we hope that the modifications which the banks will accept on the options will be minor.

Fortunately, as price speculation has been checked, nobody believes that Venezuela is floating in money and that we can now pay our debt. As it has been observed, oil prices have remained within the acceptable limits, and Venezuela's prices are over $20 per barrel. Consequently, there is no abundance of resources that could change Venezuela's capacity to pay off its foreign debt. Therefore, this is also fortunate, and I believe that in one month we will have a solution to this problem of refinancing the foreign debt with great benefits for the nation.

[Bujanda] Thank you very much.

[Perez] Well, I hope I have met the interests of the newsmen who represent the interests of the people. I bid farewell with optimism and faith to all my fellowmen and to the foreigners who live in our nation. We will go forward and I only have to say with enthusiasm what I always repeat, let's get to work!

Iraqi Envoy Warns Against Increased Oil Output

PA1508000090 Madrid EFE in Spanish 2131 GMT 14 Aug 90

[Text] Caracas, 14 Aug (EFE)—The increased production of Venezuelan oil to cover Iraq's quota within the OPEC will be considered an aggression against that Arab country, Iraqi Ambassador in Caracas Majid al-Samarra'i said today.

The Arab diplomat said he was confident that Venezuelan President Carlos Andres Perez will not give in to U.S. Government pressures to increase oil production by more than 500,000 barrels per day.

Moreover, Carlos Andres Perez said today that production would not be increased without consultations because it is necessary to reach a concerted agreement with OPEC.

Samarra'i pointed out that anyone who takes any action against us would be harmed and he reiterated that any attempt made by OPEC members to increase their quota would be equivalent to supporting the U.S. plan and it would be harmful for all.

The Iraqi ambassador said that the countries that would be hurt the most would be the founders of the OPEC, such as Venezuela and Iraq, and he asked for solidarity to prevent any manipulation by the Bush administration.

Samarra'i indicated that UN Secretary General Javier Perez de Cuellar uncovered on 13 August the true reasons behind the U.S. military escalation in the Persian Gulf region.

The Iraqi ambassador noted that, according to Perez de Cuellar, the U.S. naval blockade is a violation of the resolution issued by the UN Security Council.

Samarra'i said the United States is not seeking to defend Kuwait or Saudi Arabia but to control and exploit the resources of the region for its own best interest.

The Arab diplomat was surprised to learn about the quickness with which the UN Security Council acted to take measures against Iraq when other serious problems, such as the occupation of Palestine and Lebanese territories, have been waiting for a decision for a long time.

He said that the Iraqi people have an unlimited capacity to make sacrifices to resist the blockade, but he said that if the U.S. aggression continues, Iraq would go to war with the support of all Arab peoples and of the true nationalist governments of the area.

According to the Iraqi ambassador, in case there is a war, we would be victorious and we will remember those who supported us.

Oil Implications of Middle East Crisis Viewed

PA1408195390 Caracas Venezolana de Television Canal 8 in Spanish 0005 GMT 14 Aug 90

[Report by Jenny Silva]

[Text] Things tend to get complicated in the international oil market. There is a danger that the crude oil prices will skyrocket to exorbitant and unpredictable levels. This situation, of course, will not benefit either producers or consumers. Not only that, there is the fear that the Persian Gulf oil routes might be closed altogether. The first effect of this measure would be a shortage in the supply to Europe, Japan, and the United States. This in turn could cause an inconvenient overproduction. Whether they want to or not, OPEC member countries, both those in the Persian Gulf area and those far away like us, would become seriously involved in this overproduction.

The only OPEC member countries capable of producing and storing oil are Venezuela, Nigeria, Libya, the United Arab Emirates, and also Saudi Arabia, which can produce and store the most oil. This country will have to supply the United States and its allies in exchange for the protection it is getting. Venezuela is in a good position because it can store more than 170 million barrels. One third of this oil would be stored in Venezuela and another 50 million barrels would be kept in strategically located Caribbean ports, specifically Curacao and the Bahamas. The rest would be stored in the facilities of Pedevesa [Petroleos de Venezuela] and its branches in the United States and Europe.

The president has already warned against making any decision apart from OPEC. However, will this organization continue to be the same instrument of control and balance where supply and demand and prices are concerned? The presence of U.S. troops in Saudi Arabia and the defense of this country seems to indicate that the answer is no, because Saudi Arabia is being protected from an Iraqi attack. This aid will surely condition the role that the Saudis have always played in OPEC. This country—which possesses the highest production potential and which has crude oil that is in great demand—is in danger of losing its independence in the decision-making on oil. This would have a very negative effect on OPEC, according to some observers, because the dream of the developed countries headed by the International Energy Agency—the greatest opponent of the interests of the OPEC member countries—to control both oil production and prices is about to come true.

In addition, the economies of the developed countries will tend to shrink. This would represent a considerable decrease in industrial activity and the demand for energy and, consequently, in the purchase of oil. For this reason, the worst thing that could happen now is an uncontrolled increase in the price of oil because the recession in the developed countries would accelerate and the most affected nations would be the United States, Japan, and

some European countries. In the oil-producing countries, including Venezuela, the effect would be an immediate reduction in oil exports because, due to the high prices, the consumers would be unable to meet their purchasing needs.

The situation tends to get more complicated than ever. The actions of both producing and consuming countries must be very cautious and slow.

Guyana

Hoyte Intervenes, Urges 20-25 Percent Pay Hike

FL1408182690 Bridgetown CANA in English 1528 GMT 14 Aug 90

[Text] Georgetown, Guyana, Aug 14, CANA—[Words indistinct] 20 to 25 per cent following the intervention of President Desmond Hoyte in protracted wage talks between unions and the Ministry of Finance. Official sources said the increases were likely to be included in pay packets at month-end. Hoyte's intervention two weeks ago resulted in a slightly better deal than what was being offered by Finance Minister Carl Greenidge, but it was rejected as inadequate by the unions. Under the package, bauxite and sugar workers will receive a 25 per cent increase in pay over December 31, 1989 levels while other workers will get 20 per cent.

In a broadcast to the nation over the weekend, Hoyte said he did not think it was right that public sector wages should remain at 1989 levels while the negotiations remained in deadlock.

"In the circumstances, I think it appropriate and just that the workers should be given some urgent relief by way of a pay rise," he said.

Hoyte said the increases were not intended in any way to prejudice any further discussions the unions may wish to have with the government. General secretary of the Trade Union Congress, Joseph Pollydore, said his organisation had no objections to the increases, but was awaiting word from the government about the date for the next round of talks. Komal Chand, general secretary of the Guyana Agricultural and General Workers' Union (GAWU), the country's largest sugar union, also said his union did not object to the increases. He said, however, that the president's intervention was prejudicial to the outcome of its negotiations with the state-owned Guyana Sugar Corporation (Guysuco).